MONDAY SPORTS
SUNDAY FOOTBALL
Page 15

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A Prime U.S. Air Force Target: Saddam Hussein

By Rick Atkinson
Washington Post Service

DHAHRAN, Saudi Arabia — The Joint Chiefs of Staff have concluded that U.S. air power, including a massive bombing campaign against Baghdad that specifically targets President Saddam Hussein, is the only effective option to force Iraqi forces from Kuwait if war erupts, according to the air force chief of staff, General Michael J. Dugan.

"The cutting edge would be in downtown Baghdad," General Dugan said in an interview. "This would not be nibbling at the edges. If I want to hurt you, it would be at home, not out in the woods someplace."

[The international affairs editor for the official Iraqi press agency, INA, said that General Dugan's remarks would "neither shake the fronds of Iraqi palm trees nor awaken a sleeping girl." He said that Iraq was "protected by the arms of the proud Iraqi hawks and by their superior skill."]

Although U.S. ground and naval forces would play a substantive role in any military campaign, Iraq's huge army and tank force means "air power is the only answer that's available" to avoid a bloody land war that would probably destroy Kuwait, General Dugan said.

That view, he added, was shared by the other chiefs and the commander of U.S. forces in the Gulf region, General H. Norman Schwarzkopf.

[In New York, President George Bush's national security adviser, Brent Scowcroft, said Sunday in a television interview: "I would just point out that General Dugan is not in the chain of command, and he does not speak for the administration. We have contingency planning going on for anything that might happen. That's only prudent."]

Supplemented by Marine and army aviators and three aircraft carriers, the air force has about 420 combat planes and 250 support aircraft operating from approximately 30 airfields in the area. Of more than 150,000 U.S. military personnel deployed as part of Operation Desert Shield, 30,000 belong to the air force.

Until two weeks ago, U.S. target planners had assembled a somewhat conventional list of Iraqi targets that included, in order of priority: Iraqi air defenses; airfields and warplanes; intermediate-range missile sites, including Scud ground-to-ground missiles; communications and command centers; chemical, nuclear and munitions plants; and Iraqi armor.

Other targets, General Dugan said, included Iraqi power systems, roads, railroads and perhaps domestic petroleum production facilities — though not the oil fields.

"That's a nice list of targets and I might be able to accept those, but that's not enough," General Dugan said.

He said he had asked his planners to interview academics, journalists, "ex-military types" and Iraqi defectors to determine "what is unique about Iraqi culture that they put very high value on."

"What is it that psychologically would make an impact on the population and regime in Iraq?" he asked.

The intent, he added, was to find "centers of gravity, where air power could make a difference early on."

Israeli sources have advised that "the best way to hurt Saddam" is to target his family, his personal guard and his mistress. Because Saddam Hussein is "a one-man show" in Iraq, General Dugan said, "if and when we choose violence he ought to be at the focus of our efforts" — a military strategy known as "decapitation."

The revised military targets now form a better list, General Dugan said, though the list still contains all of the earlier targets; final targeting decisions will be made by General Schwarzkopf and his staff in Saudi Arabia. Except for efforts to limit "collateral damage" to civilians, the military expects wide latitude in picking Iraqi targets, General Dugan said.

He said he did not expect to be concerned about political constraints.

The presence of Western hostages at or near potential bombing sites remains an uncertain factor.

"I don't know what influence that consideration will have," said Lieutenant General Jimmie V. Adams, the air force deputy chief of staff for plans and operations.

The air force also has identified three "culturally very important" sites in Iraq — possibly religious centers — that

See TARGET, Page 2

Bush Tells Iraq It Is Near War

Baghdad Cites 'Lies' In Televised Speech

By Andrew Rosenthal
New York Times Service

WASHINGTON — In a videotaped address on Iraq's national television Sunday, President George Bush warned the Iraqi people that their leaders had brought them to "the brink of war" with the West and the rest of the Arab world.

Adding a new dimension to a conflict that already has been played out to a great extent on television, Mr. Bush avoided making personal attacks on Saddam Hussein, the Iraqi leader, in the message, which was taped last week in the Oval Office.

But his words, his first direct message to the Iraqi people, were shot through with warnings about American resolve. Mr. Bush told the Iraqis that Mr. Hussein had lied about his invasion of Kuwait.

He said Iraq stood "isolated and alone," without any Arab support, and he added sternly: "Perhaps your leaders do not appreciate the strength of the forces united against them. Let me say clearly, there is no way Iraq can win. Ultimately, Iraq must withdraw from Kuwait."

[In another development Sunday, thousands of Kuwaitis streamed into Saudi Arabia after Iraq reopened a border crossing that was closed soon after its troops invaded Kuwait on Aug. 2, news agencies reported.

[Kuwaiti refugees said Iraqi occupation forces were shooting people, turning schools into detention centers, offering rewards to Kuwaitis who turned over Westerners and systematically plundering Kuwait.

[Refugees speculated that Iraqi troops wanted access to the homes of departing Kuwaitis. Some said it was part of a long-term plan by Mr. Hussein to repopulate Kuwait with Iraqis. Others said Baghdad might be trying to plant spies or terrorists in Saudi Arabia.]

Mr. Bush said the United States still wanted a peaceful resolution to the Gulf crisis. But he warned that there was "no nation on Earth with greater resolve," cautioned that Americans were prepared to fight if forced to so and vowed that the presence of foreign hostages in Iraq and Kuwait would not affect his ability "to make tough decisions."

Mr. Bush said he did not want to "trade accusations" with Mr. Hussein, and he has tried for weeks not to get into a public debate with the Iraqi leader. But his speech had the effect of doing just that.

Immediately following Mr. Bush's remarks, Iraqi television broadcast a rebuttal from an official spokesman who said the U.S. leader's message was "full of lies," accused Mr. Bush of seeking to "defile the Muslim holy places" by sending American soldiers to Saudi Arabia, and said Washington was working in concert with Israel against the Arab people.

Responding to his speech almost point by point, and using far harsher language than Mr. Bush employed, the spokesman said Mr. Bush "went crazy" when Iraqi forces entered Kuwait, and accused the president of trying to become "the dictator of the whole world."

Although administration officials have said Mr. Bush did not expect his words to convert the Iraqi masses to his cause, the president had seen the chance to appear on Iraqi television as a way of delivering a personal message unfiltered by the Baghdad government.

Mr. Bush first raised the idea during a news conference in Kennebunkport, Maine, when he noted that Mr. Hussein had frequently been on American television.

The White House said Iraq broadcast the eight-minute tape, which included a voice-over translation and subtitles provided by the United States, in its entirety.

In the tape, Mr. Bush sought to bring to bear the weight of the world community, especially Arab nations. "For

See IRAQ, Page 2

More Gulf News

The United States is building up its offensive capability against Iraq. Page 4.
Bonn promises $2 billion in aid to the multinational forces in the Gulf. Page 5.
For Israel, the turmoil sharply alters the rules of the regional game. Page 4.
A former Carter aide said that, politically, chances of war were diminishing. Monday Q&A, Page 2.

Thousands In Moscow Urge Ouster Of Ryzhkov

In March on Kremlin, Demonstrators Demand Free Market Economy

By Michael Dobbs
Washington Post Service

MOSCOW — Chanting "Resign! Resign!," tens of thousands of protesters marched on the Kremlin on Sunday to demand the replacement of Prime Minister Nikolai I. Ryzhkov and the immediate adoption of a plan to move the Soviet Union to a free market system.

The demonstration added to the political pressure on Mr. Ryzhkov to step down in favor of a government of national unity that would include non-Communists and Communists.

It came on the eve of a crucial session of the federal parliament, or Supreme Soviet, that will have to choose between rival programs for rescuing the Soviet Union from its growing economic crisis.

"The stores are empty," said Mayor Gavriil K. Popov of Moscow at the rally.

Mr. Popov is a leading radical politician and free market economist.

"The ruble is worth nothing," he said. "The government hasn't even succeeded in collecting what would otherwise have been a good harvest. The machine of bureaucratic socialism has broken down."

Mr. Popov and other speakers at the rally urged President Mikhail S. Gorbachev to break with Mr. Ryzhkov, his prime minister for the past five years, and form an alliance with radical political forces led by the Russian republic president, Boris N. Yeltsin.

As head of state and general secretary of the Communist Party, Mr. Gorbachev has distanced himself from Mr. Ryzhkov's increasingly unpopular government.

A soft-spoken technocrat who emerged from the Soviet Union's vast economic bureaucracy, Mr. Ryzhkov, 60, has advocated a more cautious transition to a free market system than Mr. Gorbachev or Mr. Yeltsin. He appeared on television Saturday to defend his insistence on retaining a large measure of centralized control as the only way of avoiding anarchy and chaos.

The struggle between the rival political factions is likely to reach a climax over the next two weeks as the Supreme Soviet debates the relative merits of Mr. Ryzhkov's program and the rival 500 Days plan supported by Mr. Yeltsin and, with some reservations, Mr. Gorbachev. Mr. Ryzhkov has repeatedly indicated that he will resign unless the legislature gives him its backing.

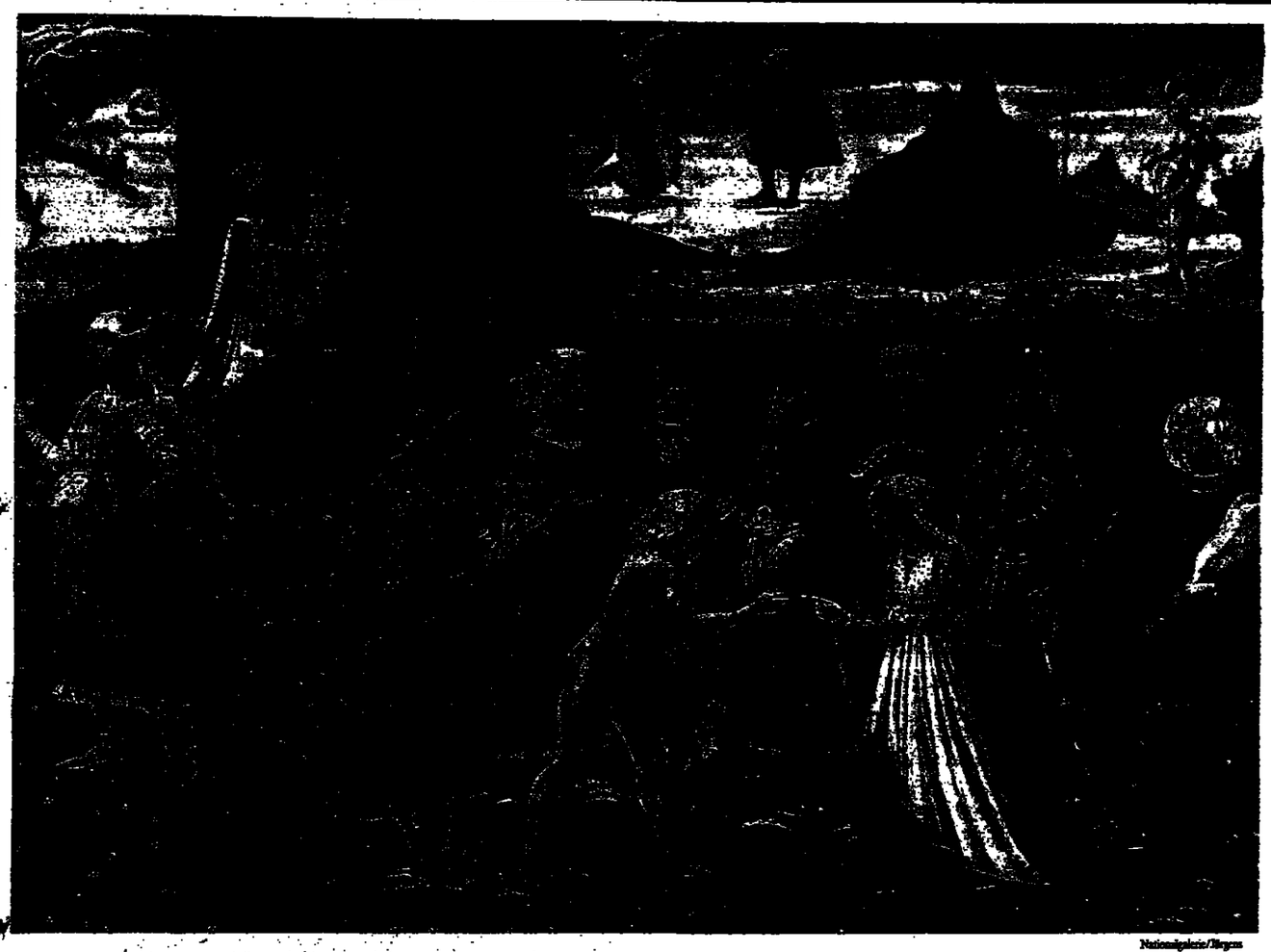
"The Supreme Soviet nominated us, and if the Supreme Soviet trusts us, the government will continue its work and fulfill its functions," the prime minister told the national television audience. "If it does not, the Supreme Soviet has the opportunity to take the necessary decision."

At Sunday's rally, most speakers exempted Mr. Gorbachev from direct criticism. The mood among the crowd, however, was more radical, with some demonstrators waving slogans such as "Goodbye Misha" and "Gorbachev, Ryzhkov, and Co.: We Don't Believe in Any of Them."

Permission to hold the demonstration next to the Kremlin walls was granted by the radical-controlled Moscow City Council after a constitutional watchdog committee struck down a presidential decree banning political protests in the center of the capital.

The decision reflected the growing assertive-

See MOSCOW, Page 2



Nationalgalerie/Jürgens

A panel from the cycle of the Argonauts by a master of the school of Botticelli ("Master of the Argonauts"), in the National Gallery (Bode Museum).

A New Art World: Treasures Abound in the East

A Curtain Is Lifted On a Gilded Heritage

By Souren Melikian
International Herald Tribune

BERLIN — Suddenly, a new art world has opened up to the West. Just as East Europeans, given the financial resources to travel abroad, can now hope to see the hoards of the Louvre, the British Museum or the Metropolitan Museum of Art, so will West Europeans and Americans soon flock to East Berlin, now part of a single city, to Dresden and to Prague, to gaze at museum treasures that had been out of bounds to all

See TREASURES, Page 7

The architectural fabric of East Germany evokes past grandeur. Page 7.
A living Baroque museum. Page 16.

Dealers Are Eager To Explore Market

International Herald Tribune

BERLIN — The barriers that walled in East Germany, Czechoslovakia, Hungary and Poland are down, and the art professionals have dreams of new lands to explore.

The sharpest got in first. In Germany, Sotheby's has acted quickly. On Oct. 15, it will open its brand-new office in Berlin, on Unter den Linden between the Berlin University and the Zeughaus, or Armory, in what was the eastern part of the city. It has an Eastern European Affairs Committee that meets every two months, headed by Christoph Douglas, the director of Sotheby's Germany, who is also in charge of Eastern Europe.

Douglas, noting that Berlin as a single city is the largest in Germany, reckons that

See MARKETS, Page 7

Kiosk

U.S. Base Talks Set in Manila

MANILA (Combined Dispatches) — U.S. and Philippine officials resume talks this week on the future of U.S. military bases. The date for the next round has not been released because of security concerns, but it is expected to start by Tuesday.

On Sunday, there was a confrontation outside the U.S. Embassy between police and a small group of protesters at the end of a three-hour demonstration over the U.S. military presence in the Philippines.

(AP, UPI, AFP)

Contra-Cocaine Link

Weapons given by the United States to Nicaraguan contra rebels are reported to be ending up in the hands of Colombia's cocaine rings with increasing frequency. (Page 3)

General News

The South African police crack down on violence in the townships. Page 2.

Business/Finance

Japan and the EC are said to be closer to an agreement on car imports. Page 9.

Crossword Page 7.

Crisis Undercuts U.S. Support for NATO

By Al Kamen
Washington Post Service

WASHINGTON — American anger over the level of allied support for the U.S. military effort in the Gulf has sharply eroded public and congressional support for NATO, according to congressional observers and foreign policy experts.

The Gulf crisis erupted at a time when the end of the Cold War and the Soviet withdrawal from Europe already were chipping away at the North Atlantic Treaty Organization's reason for being.

The Bush administration has explored ideas for new missions for the alliance, even though it was assumed that U.S. financial and troop commitments would be scaled down.

Secretary of State James A. Baker 3d, in a speech in December in Berlin, said he saw resolving regional conflicts as part of NATO's "second mission" in a world where those conflicts would replace the Cold War struggle.

But despite recent pleas by Mr. Baker to send at least token ground forces to the Gulf, until Saturday only Britain had agreed to commit a substantial number of troops. On Saturday, however, President François Mitterrand of France, angered that Iraqi troops entered the French ambassador's residence in Kuwait and detained a diplomat and civilians, said he would send up to 4,000 troops to the region.

Chancellor Helmut Kohl of West Germany said that Bonn would give the United States $1 billion in aid — to be spent on equipment and transport.

Despite these recent moves, however, the Gulf crisis shows that "NATO is going to be increasingly irrelevant in the new world order — or disorder," said Stephen F. Szabo, of Johns Hopkins University's School of Advanced International Studies, in a book to be published next year.

Congressional anger with the allies erupted last week in attacks in the House against Germany and Japan in particular for not contributing enough. The sentiment may linger even if U.S. allies increase their commitments in the Gulf.

"When the defense appropriations bill comes to the floor," a Senate aide predicted, "the NATO alliance will come up sucking sand."

There was "no role for NATO" in the crisis, another Senate aide said. "It couldn't play a part as a unified command structure," he said, "and there wasn't much it could do. This in fact may be a real turning point."

Senator Jeff Bingaman, Democrat of New Mexico and a member of the Senate Armed Services Committee, said that increased financial contributions by the allies may help repair the political repercussions shown by the House vote, "but clearly the reluctance of our allies to step forward absent much haranguing is troublesome."

U.S. Airports: Nightmare for Foreigners

By Eric Weiner
New York Times Service

NEW YORK — Short of inspectors, the Immigration and Naturalization Service has been unable to keep pace with the explosive increase of foreign visitors to the United States.

Delays are rising sharply at many airports, and two-hour waits are common. Last month, foreign passengers on a SwissAir flight arriving in Los Angeles had to wait five hours after leaving the plane before they could pass through immigration.

The waits have made U.S. airports among the world's least hospitable to foreign visitors.

Travel officials are increasingly concerned that the bottlenecks will soon hurt the nation's booming tourism trade.

The number of foreign tourists to the United States has reached 23 million a year, an increase of more than 50 percent since 1986, and the number is expected to double by the end of the decade.

While immigration officials and airline executives acknowledge that the problem is serious and growing, each group suggests the other is making things worse instead of better.

The airlines have found that certain landing times are preferred by many passengers, and schedule many flights to land in bunches. That also makes it easier to schedule connecting flights.

But officials at the Immigration Service say this floods terminals with thousands of passengers within a short period. "It kills us if they drop four or five 747s on us," said James Pulio, associate commissioner for inspections at the Immigration Service.

"We don't schedule flights on an arbitrary basis," said Mark Dunkerley, manager of government and commercial affairs for British Airways. "It's a reaction to when people want to travel."

Airline and travel officials say that the government could simplify immigration procedures, a step toward the goal of clearing passengers in 45 minutes, the standard set

See WAIT, Page 2

J. Scott Applewhite/The Associated Press

A Kuwaiti woman cradling her children after fleeing the country Sunday. Thousands of people waiting at the border poured into Saudi Arabia when Iraqi troops suddenly opened a crossing.

A Carter Aide's View of Gulf

Politically, He Says, Chances of War Are Diminishing

As European attitudes harden against Iraq, Robert Hunter, who shaped Gulf policy under President Jimmy Carter and now is a vice president of the Center for Strategic and International Studies in Washington, spoke to the IHT's Joseph Fitchett about the repercussions of the crisis on the Western alliance.

Q. Is war with Iraq becoming more likely?

A. Physically, it is more palpable every day. As forces build up against Iraq, there are more military options, with the promise of fewer casualties. Last week, when I accompanied a congressional visit to Saudi Arabia, it was clear that hostilities could be triggered immediately by Iraqi actions, even on another front like Jordan. War could erupt if a major hole appeared in the embargo. Military commanders believe that they can soon meet the requirements for operations with minimal casualties. And there is concern that the prolonged presence of U.S. forces could start undermining friendly Arab regimes. That may already be happening.

But politically most of what has been happening makes it harder to launch an attack.

The UN coalition gives allies influence to retard an attack. The more Washington asks for money and manpower from other countries, the more likely contributing governments are likely to insist on having a say. If the option really is a long embargo, if we're not going to have a war right away, we could halve U.S. forces in the Gulf, and the multinational coalition could be put under UN command.

Q. Do you expect Iran to help Iraq?

A. If Tehran did start sanctions-busting by transshipping Iraqi oil, it should take only about 24 hours to get a Security Council resolution extending the blockade to Iran, easily enforceable by the warships already deployed in the Indian Ocean. I don't think it will come to that. Iran's overriding interest is in improving its access to the West. But religious extremists in Tehran were helped by some ill-advised remarks by Secretary of State Baker about a NATO in the Gulf. He backed away from that the next day, but some damage was already done in fueling nationalisms in the region. Episodes like this suggest that the administration has not thought through what it would like to see in the region after the crisis.

Q. The Bush administration does seem definite about wanting more allied support. Why is that?

MONDAY Q&A

A. None of the Gulf regimes is a democracy — inequalities in these societies are astounding. That could be political dynamite in terms of the willingness of the American people to put their sons and daughters at risk. There has to be something to which Americans are committed and that goes beyond the price of oil or even the security of oil. Americans don't fight for realpolitik, for the balance of power. They fight for principle. That principle obviously is to punish aggression. For us to sustain our military presence, it is important to have our allies shoulder to shoulder with us, partly for moral cover. Since we are not defending democracies there, it is very important to be able to show the American people that other democratic powers are there with us.

Q. Does U.S. public opinion appreciate what the allies have contributed so far?

A. No one was seen to be doing nearly enough, and there was a risk of a reaction here liable to sour a wide range of U.S.-European relations. The picture may start changing as a result of developments this weekend that saw much more help coming from Europe. Interestingly, the concern among most congressmen is less in terms of money — Saudi Arabia and Kuwait are supplying most of that — and more in terms of sharing risks with people on the ground. Airmen and sailors do not fulfill this function. The decisions by Britain and France to send troops will have a very positive impact, but Italy and even smaller allies should join them, at least with a symbolic presence.

Q. Have Japan and West Germany aroused resentment?

A. I think that the Japanese have taken care of most of their problem by providing another $3 billion this week. Germany was sticking out like a sore thumb in terms of money until the unexpectedly large offer of funds this weekend. Germans contend, rightly, that they have already contributed massively by buying out Soviet troops from East Germany so that the U.S. and other allied forces were freed up to leave Europe for the Gulf. Politically, I think that we ought to do a swap. Let the Germans spend several billion dollars to support the Gulf coalition provided the United States offsets that by increasing its spending by the same amount in Eastern Europe. That could distribute national roles more widely.

Q. Is there a real role for Europe beyond just following the United States in the crisis?

A. It is critically important for Europeans to seize the occasion and expand their involvement now. This is not only the first post-Cold War crisis, it is likely to be unique. We have started building new patterns of relationships — for discussion, decisions, action — that could set us up nicely as allies for handling Third World contingencies. In this crisis, the United States has had a lot of latitude, and the Bush administration is working it with a multilateral emphasis that most allies say they want. But let us not extrapolate. There is no spot on Earth that more countries care about than this one because of the oil. If our allies cannot take seriously defending the oil that means more to them than it does to us, the kind of coalition shaping up in this emergency may not necessarily be the paradigm for U.S. conduct in the future.

The Associated Press

A man accused of being a Zulu supporter of Inkatha being stabbed and stoned in an attack by children of a rival group at a road barricade in Soweto. Later, the man was set on fire and burned to death.

In Crackdown, South African Police Set Up Roadblocks Near Townships

Compiled by Our Staff From Dispatches

JOHANNESBURG — The South African police have announced a severe crackdown on township violence, and the black areas were quiet Sunday.

Roadblocks have been put up on routes leading out of the segregated black townships and the police are stopping and searched passing vehicles and their occupants.

In a change of policy, machine guns were mounted atop the police vehicles.

"Mandela wants an iron fist. We're going to give an iron fist," said Major General Gerrit Erasmus, the police commissioner in the Witswatersrand, the region around Johannesburg where much of the fighting has taken place. He was referring to Nelson Mandela, the leader of the African National Congress.

He said the police at roadblocks had already confiscated some weapons.

But the measures were criticized by Mr. Mandela, who has urged the government to crack down on the violence. At a news conference in his Soweto home, he said Saturday that the police only acted after two white policemen were killed in Soweto earlier last week.

"The measures are not intended to deal effectively with the situation," Mr. Mandela said. "They have not affected the issue as it affects blacks, but as it affects whites."

General Erasmus said the police were considering the imposition of a nighttime curfew in the townships and would cordon off migrant workers' hostels behind concertina wire. He said the access of hostel dwellers would be restricted to guarded exits and that they would be searched for weapons.

"If possible, the same will be done around squatter camps," he said at a news conference in Johannesburg.

The hostels and squatter camps, home to the poorest of the township poor, have been flashpoints for clashes between migrant workers, who support the conservative Zulu movement Inkatha, and squatters and township youths who profess loyalty to the African National Congress.

"It is senseless," General Erasmus said of the violence, in which nearly 800 people have been killed in the last six weeks. "It's intolerable and we're going to act very strongly against these people."

The police commissioner also announced the re-assignment of officers from other areas to the Witswatersrand, a callup of police reservists and further reinforcement of the police by army units.

Mr. Mandela objected to ringing hostels and squatter camps with concertina wire, calling this a reckless measure that would create new hazards, particularly if a fire broke out in the hostels or camps.

He also denounced the police for arming themselves with machine guns and live ammunition, saying that civilized countries used tear gas and water cannon.

Earlier, General Erasmus said the police needed heavier weapons than pistols and shotguns to fight ambushes by attackers using AK-47 automatic rifles, as happened again Friday night in Soweto.

President Frederik W. de Klerk has promised to announce a comprehensive plan in a few days to curb the violence, which some believe is being fueled by white right-ist extremists. *(NYT,AFP)*

TARGET: *Air Force Adds Saddam Hussein to List*

(Continued from Page 1)

the U.S. bombers would avoid. "We're not mad at the Iraqi people, and when this is all over we don't want the Iraqi people to be mad at us and the rest of the allies we've brought together," General Dugan said.

His comments were made during 10 hours of interviews with him and five of his senior generals on the U.S. air staff during a trip to and from Saudi Arabia last week.

The air force is generally disdainful of the Iraqi armed forces. "Their air force has very limited military capability," General Dugan said. "They did not distinguish themselves in the war against Iran," he said, adding that they often missed targets by miles. Iraq possesses "an incompetent army," he said.

"With 5,000 tanks one should have been able to do something," he said.

With the exception of some mobile, Soviet-made SA-6 surface-to-air missiles, Iraqi air defenses are considered no match for U.S. power. "I don't mean to tell you that we won't lose any planes," General Adams said. "But I think it's a manageable risk."

Some military strategists and historians are skeptical that air power is sufficient to dislodge an entrenched enemy; North Vietnam resisted intense U.S. bombing for years. The air force generals said they were aware of this view.

The air staff is studying earlier bombing campaigns with an eye to applying lessons learned and "one of the lessons we got out of Vietnam was that gradualism doesn't work," General Adams said. The full-scale air war envisioned now reflects the Joint Chiefs general approach brought to Operation Desert Shield: that if U.S. military power is committed, it should be fully committed.

"There are a lot of things that air power cannot accomplish," General Dugan said. Referring to Southeast Asia, he added, "We had great difficulty in driving people out of the jungle. But there's not much jungle where we're going."

Air power gives "a special kind of psychological impact," the general added. He said it was hoped that this would soon persuade Iraqis that "Saddam and his regime cannot protect them."

Although the air force can guarantee tremendous devastation in Iraq, whether raining destruction would effect the withdrawal from Kuwait or Saddam Hussein's removal from office is a political conclusion that Mr. Bush and others must make, General Dugan said. There also is no guarantee that bombers would be able to find Mr. Hussein.

Part of the focus on air warfare is the consequence of unpalatable alternatives. The Pentagon has decided that it cannot and will not match the Iraqi ground forces, much less assemble the 3-to-1 advantage considered necessary for an offensive campaign. Air power plays to a U.S. strength while avoiding a protracted armor offensive or extensive urban fighting in Kuwait City, several generals said.

Ground forces may be needed to reoccupy Kuwait, General Dugan said, but only after air power has so shattered enemy resistance that soldiers can "walk in" and not have to fight house-to-house.

Unlike some of the U.S. ground forces, which may take another two months to reach their destinations in the Gulf, the air force is virtually in place and has sufficient forces to fight an all-out war.

IRAQ: *Bush Warns Baghdad It's on the Brink of War*

(Continued from Page 1)

the first time in history," he said, "13 states of the Arab League, representing 80 percent of the Arab nation, have condemned a brother Arab state."

Mr. Bush called the invasion of Kuwait "an unprovoked attack on a small nation that posed no threat to your own."

"Kuwait was the victim; Iraq, the aggressor," he said.

He also sought to draw a distinction between the Iraqi people and their government.

"I do not believe that you, the people of Iraq, want war," he said. "You've borne untold suffering and hardship during eight long years of war with Iran."

Mr. Bush continued, "Now, once again, Iraq finds itself on the brink of war. Once again, the same Iraqi leadership has miscalculated. Once again, the Iraqi people face tragedy."

Mr. Bush also said Mr. Hussein was trying to depict the crisis as a struggle between Iraq and the United States.

"In fact," he said, "it is Iraq against the world."

The Iraqi spokesman called this part of Mr. Bush's speech a "lie." He asserted that popular Arab sentiment supported Mr. Hussein and that the United States was representing the interests of European "imperialists" and the "Zionist entity," or Israel.

■ Kuwaitis Cross Border

At the border crossing of Khafji, Saudi Arabia, thousands of Kuwaitis poured into Saudi Arabia.

Saudi immigration officials said about 3,000 Kuwaiti families drove across the frontier post on Saturday. A similar number were making their way across on Sunday. As far as they knew only Kuwaitis were coming out.

Asked why the Iraqis had opened the border, a Kuwaiti businessman said: "I think they either want to raze Kuwait to the ground before they leave or they are trying to infiltrate people into Saudi Arabia with us."

Some of the refugees said Iraqi troops were looting houses, raping women and killing anyone who defied them. As they lined up to leave Kuwait, refugees said, soldiers seized their passports and other documents, money and valuables.

One refugee said the Iraqis were putting young men into detention camps in schools. "Sometimes they take a whole family," he said.

Another refugee said: "The Iraqis are offering rewards to people who hand over foreigners, but as far as I know they don't pay it."

At least 3,000 Westerners, many of them Americans and Britons, are believed to be still trapped or hiding in Kuwait.

A refugee who worked for the Ministry of Petroleum said Iraqis had started dismantling a refinery Ahmadi in Kuwait and shipped the parts to Iraq.

In another development Sunday, Iraq formally rejected last week's United Nations Security Council resolution on food aid for Iraq and Kuwait, and said a UN envoy sent to investigate the food situation there would be refused entry.

A Foreign Ministry spokesman, quoted by the official Iraqi press agency, INA, said the resolution was "humiliating and unjust."

The resolution said humanitarian food aid could be sent to Iraq and Kuwait despite the sanctions against Baghdad, but it called for such aid to be distributed under the auspices of the UN and international relief organizations. *(Reuters, AP)*

MOSCOW: *Thousands Protest*

(Continued from page 1)

ness of the fledgling parliamentary and judicial institutions that have sprung up over the past two years.

After setting out from Gorky Park on the Moscow ring road, the 30,000 to 40,000 demonstrators marched down Tverskaya Street to the red-brick Kremlin walls carrying banners with slogans like "Yeltsin — 500 days, Ryzhkov — 600 seconds" and "Communism is Political AIDS."

The protesters then spilled out into the huge square between the Kremlin and the gray facade of Gosplan, the state planning authority, that has exercised dictatorial control over all aspects of the Soviet economy for more than half a century. Under the 500 Day plan, Gosplan would be abolished.

The plan, which envisages the rapid denationalization of the economy through the sale of state assets, has already been endorsed by the Russian parliament with only a single dissenting vote.

WAIT: *Airport Ordeal*

(Continued from Page 1)

by the International Civil Aviation Organization, a UN agency.

The industry is also lobbying for more widespread use of a program where passengers are inspected at the foreign airport they leave from, allowing them to avoid the lines in the United States; so far, the method is being used only in Shannon, Ireland, and as part of a four-month test program in London.

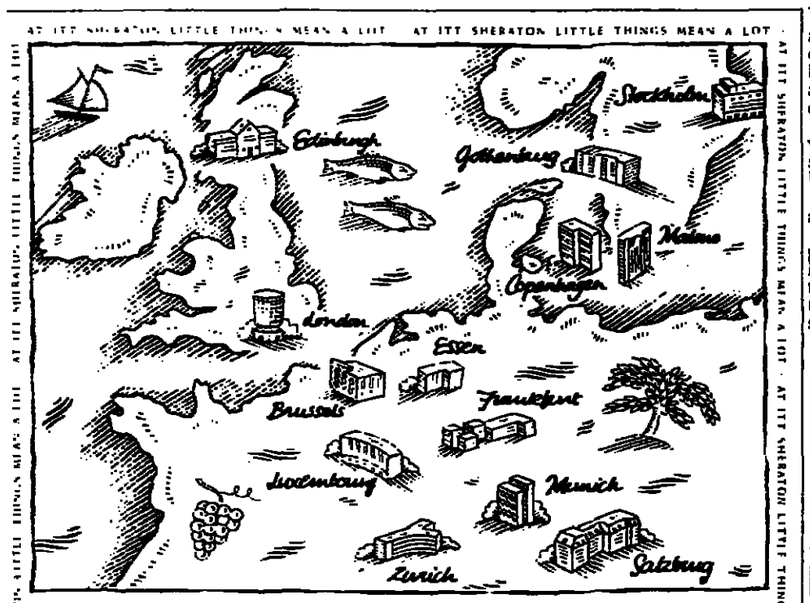
Any effort at solving the problem must confront the chronic shortages of inspectors, some of whom make less than workers at fast-food restaurants.

"We don't have the staff to do the work," Mr. Pulio said.

A bill sponsored by the Bush administration would levy a $5 fee against travelers from Canada, Mexico and the Caribbean, who are currently exempt from paying the fee charged to all other international passengers. This would raise about $80 million annually and allow the Immigration Department to hire 450 more inspectors, Mr. Pulio said.

Unlike the Customs Service, which now selectively inspects only high-risk passengers, INS officers, must screen every foreign visitor passing through American airports.

While New York's Kennedy Airport still handles the most visitors, bottlenecks are worse in Los Angeles and Honolulu, industry officials said, partly because those airports serve as gateways for flights from Asia, where air travel has been growing rapidly.



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WORLD BRIEFS

Stasi: 6 East German Aides Accused

BERLIN (Reuters) — Six current or former East German cabinet ministers are suspected of having collaborated with the now-disbanded Communist security police, the Stasi, East and West German newspapers reported over the weekend.

The West German daily Bild said Sunday that six present or former ministers were on a list drawn up by a parliamentary investigative panel of 68 legislators suspected of having been informers for the Stasi. East German newspapers named some of the same ministers.

Bild cited Disarmament and Defense Minister Rainer Eppelmann, a former dissident; Construction Minister Axel Viehweger; Environment Minister Karl-Hermann Steinberg; Klaus Reichenbach, minister in the prime minister's office; the former economics minister, Gerhard Pohl, and the former research minister, Frank Terpe. Mr. Eppelmann, Mr. Steinberg, Mr. Viehweger and Mr. Reichenbach rejected the charges. Mr. Pohl and Mr. Terpe could not be reached.

Planes Bomb Rebel Forces in Liberia

ABIDJAN, Ivory Coast (AP) — West African warplanes bombed rebel positions in Monrovia, the Liberian capital, for a second day Sunday. Two Ghanaian bombers were "looking for and neutralizing artillery emplacements" of rebels led by Charles Taylor, the BBC reported.

The West African forces, sent to Liberia to try to end the country's nine-month-long civil war, went on the offensive after its headquarters and a Ghanaian warship docked in the harbor were shelled by the rebels. Two Ghanaians and three Nigerians were killed in the shelling, the BBC said.

A rebel radio broadcast Sunday said that three aircraft bombed the capital's airport and that the United States was involved. A U.S. Embassy spokesman in Monrovia denied the accusation.

N.Y. Post Gets Accord With Unions

NEW YORK (NYT) — Peter S. Kalikow, owner of The New York Post, reached a tentative agreement with the paper's nine unions on concessions that would keep the paper open. The Newspaper Guild, divided over the package, will settle the issue in a vote Monday.

George E. McDonald, president of the Allied Printing Trades Council, the union umbrella organization, said Saturday, following the agreement, that the unions were told that the paper would be closed if the 400 Guild members reject Mr. Kalikow's proposal. The Guild includes the paper's news, advertising and circulation employees.

The Post has incurred losses for two decades and Mr. Kalikow has demanded at least $19 million in wage and benefit savings from the paper's unions, which he has said would allow the paper to break even.

High Blood Pressure: A New Finding

BALTIMORE (NYT) — Researchers have reported the discovery of a hormone in the body that they believe plays a major role in the development of high blood pressure. The researchers said they were astounded to find that the hormone was structurally and biologically identical to a substance from plants that South American Indians had used as a poison on the tips of their arrows and that doctors used to treat patients with heart conditions.

The substance, ouabain, is derived from the ouabaio tree and is a member of the digitalis family of drugs used in the treatment of heart disease.

The researchers from the University of Maryland in Baltimore and Upjohn Co. in Kalamazoo, Michigan, said they had found ouabain in varying amounts in every person tested with a blood test that they had developed. Mordecai P. Blaustein, head of the physiology department at the University of Maryland, said the test might ultimately predict which individuals were likely to develop high blood pressure by showing an abnormal amount of ouabain in the blood.

Space Shuttle Set to Go on Tuesday

CAPE CANAVERAL, Florida (AP) — Columbia's fourth countdown proceeded smoothly on Sunday, although officials of the National Aeronautics and Space Administration said the true test will come when the shuttle is fueled for the launch on Tuesday.

Two of the previous countdowns came to an abrupt halt when vast amounts of hydrogen leaked during fueling. The space agency is hopeful that it has plugged all the holes. "We're feeling real good about this one," said NASA test director, Mike Leinbach. NASA will begin pumping more than a half-million gallons of liquid hydrogen and liquid oxygen into Columbia late Monday afternoon. Columbia is scheduled to lift off at 1:28 A.M. EDT Tuesday with seven astronauts and a $150 million astronomical observatory. The crew returned to Kennedy Space Center over the weekend.

Nice's Mayor Quits Under Pressure

NICE (Reuters) — Mayor Jacques Médecin, 62, announced his resignation Sunday, saying that the Socialists had hounded him from office with accusations of corruption and were plotting more "low blows."

The move brought to an end a rightist dynasty reaching back over half a century of Riviera politics. He became mayor in 1966, succeeding his father, Jean, who had administered the Mediterranean resort in quasi-feudal style since 1928.

The mayor's business affairs were under investigation and he had been assessed nearly 17 million francs ($3 million) in unpaid taxes and fines. Last year charges of embezzlement were leveled against him.

Gabon Voters Riot, Charging Fraud

LIBREVILLE, Gabon (AP) — Voters in Gabon attacked election officials and smashed ballot boxes Sunday after asserting that the country's first multiparty elections in 22 years were being rigged in favor of the party of President Omar Bongo. In the capital of Libreville, one election official was hurt in the violence, which forced officials to close the main voting station.

The first-round balloting on Sunday was to choose 120 members of the National Assembly from among 553 candidates. Mr. Bongo legalized opposition parties and called the elections after violent protests against his 22-year-long rule. His party, the Democratic Party of Gabon, is contesting all 120 constituencies. Thirty-six opposition parties and 45 independent candidates are participating in the elections.

At the Libreville city hall, some who went to vote asserted that ballot boxes had been stuffed before the polls opened. In the suburbs of Lalala and Venez-Voir, voters alleged they had been asked to deposit their ballots before they had marked their choices.

TRAVEL UPDATE

Brussels has banned most vehicles from its Grand'Place to protect 17th century buildings from damage and to preserve the square's atmosphere. Grand'Place and some adjoining streets are now off-limits to all except pedestrians, tourist horse carriages, delivery vehicles and others with special permits. *(Reuters)*

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	16	61	11	52	c
Athens	25	77	15	59	fr
Barcelona	—	—	18	64	—
Belgrade	24	75	13	55	fr
Berlin	15	59	7	45	cl
Brussels	17	63	10	50	fr
Budapest	21	70	11	52	cl
Copenhagen	18	64	10	50	fr
Costa Del Sol	27	81	23	73	s
Dublin	17	63	13	55	fr
Edinburgh	15	59	7	45	c
Faro	27	81	19	66	cl
Florence	26	79	16	61	fr
Frankfurt	17	63	11	52	cl
Geneva	21	70	11	52	cl
Helsinki	13	55	4	39	c
Las Palmas	29	84	23	73	fr
Lisbon	28	82	18	64	fr
London	17	63	12	54	c
Luxembourg	16	61	8	46	cl
Madrid	26	79	16	59	s
Milan	22	72	15	59	s
Moscow	11	52	8	46	sh
Munich	16	61	9	48	c
Nice	25	77	18	64	cl
Oslo	18	64	4	39	fr
Paris	20	68	10	50	fr
Prague	15	59	7	45	cl
Reykjavik	6	43	3	37	r
Rome	25	77	15	59	fr
Stockholm	13	55	7	45	c
Strasbourg	19	66	8	46	cl
Venice	25	77	13	55	cl
Vienna	18	64	12	54	cl
Warsaw	11	52	8	46	r
Zurich	19	66	10	50	cl
MIDDLE EAST					
Cairo	30	86	19	66	fr
Istanbul	22	72	14	57	fr
Moscow	—	—	—	—	na
Riyadh	39	102	25	77	fr
Tel Aviv	29	84	18	64	fr
OCEANIA					
Auckland	—	—	—	—	na
Sydney	18	64	10	50	sh

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	32	90	26	79	sh
Beijing	32	90	17	63	sh
Hong Kong	29	84	26	79	sh
Manila	32	90	25	77	sh
New Delhi	32	90	25	77	sh
Seoul	28	82	14	57	c
Shanghai	25	77	20	68	r
Singapore	33	91	26	79	sh
Taipei	33	91	27	81	sh
Tokyo	23	73	21	70	sh
AFRICA					
Algiers	33	91	23	73	cl
Cape Town	—	—	7	45	r
Casablanca	25	77	22	72	c
Harare	28	82	18	61	fr
Lagos	—	—	—	—	na
Nairobi	—	—	9	48	c
Tunis	34	93	21	70	cl
LATIN AMERICA					
Buenos Aires	—	—	14	57	fr
Lima	17	63	15	59	c
Mexico City	25	77	13	55	fr
Rio de Janeiro	—	—	14	57	fr
NORTH AMERICA					
Anchorage	14	57	6	43	cl
Atlanta	30	86	16	61	fr
Boston	21	70	10	50	fr
Chicago	18	64	5	41	sh
Denver	26	79	10	50	s
Detroit	16	61	5	41	sh
Honolulu	30	86	23	73	sh
Houston	34	93	23	73	fr
Los Angeles	22	72	16	61	pc
Miami	33	91	24	75	pc
Minneapolis	18	64	4	39	sh
Montreal	15	59	6	43	sh
Nassau	33	91	23	73	sh
New York	22	72	11	52	sh
Phoenix	36	97	24	75	cl
San Francisco	23	73	12	54	pc
Seattle	18	64	11	52	sh
Toronto	14	57	5	41	sh
Washington	25	77	14	57	pc

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Slightly rough. FRANKFURT: Partly cloudy. Temp. 21 — 6 (70 — 43). LONDON: Partly cloudy. Temps. 19 — 9 (66 — 48). MADRID: Showers. Temps. 28 — 16 (82 — 59). NEW YORK: Showers. Temps. 20 — 10 (68 — 50). PARIS: Partly cloudy. Temp. 21 — 10 (70 — 50). ROME: Partly cloudy. Temps. 27 — 14 (81 — 57). TEL AVIV: Not available. ZURICH: Partly cloudy. Temp. 22 — 13 (72 — 54). BANGKOK: Showers. Temp. 32 — 25 (90 — 77). HONG KONG: Not available. MANILA: Fair. Temp. 32 — 24 (90 — 75). SEOUL: Cloudy. Temps. 25 — 16 (77 — 61). SINGAPORE: Showers. Temp. 33 — 26 (91 — 79). TOKYO: Rain. Temps. 27 — 21 (81 — 70).

هكذا من الأصل

More Than Ever, America Sees Its Ruination in Politicians

By David S. Broder and Thomas B. Edsall
Washington Post Service

CHICAGO — Somber and cynical, the voters of Illinois, like their counterparts across America, face the November election with grave concerns about the country's future and equally grave doubts that politics and politicians offer them much hope.

Lon Feia, 33, owner of a small company that makes environmental filters, spoke for many when he said: "We have so many serious problems, not just in the Persian Gulf but here at home. The condition of the state is getting worse. The education system is going steadily downhill. My property taxes doubled last year."

And yet, he said, if you judged by the contents of the campaigns, "we seem more concerned about frivolous issues."

A poll conducted by The Washington Post and ABC News this month found 60 percent of Americans saying that they thought things in the country had got pretty seriously off on the wrong track. That measurement of pessimism had sharply increased since the start of the year. The poll also found a powerful alienation from government: 65 percent expressed agreement with the statement that public officials don't "care much what people like me think."

That pessimism and cynicism create the environment in which the voters of Illinois will elect a governor and a senator, and fill many lower offices this November. Illinois is as good a political laboratory as you can find. It is at the crossroads of the country, not only geographically, but ideologically — a "swing" state that has mirrored the nation's politics by backing the winning presidential candidate in all but two elections in this century.

Interviews in several parts of the state earlier this month confirmed that in Illinois as elsewhere, pocketbook issues are uppermost on people's minds this fall. Nationally, voters give only illegal drugs and the threat of a Gulf war as much importance as the state of the economy, the budget deficit and taxes.

Across the nation, pessimism about the economy is growing, with 64 percent of those polled saying things are getting worse. In Illinois, unemployment is almost 1 percent above the national average.

Many voters voice a strong belief in the need to improve education, rebuild roads and protect the environment. This willingness to support government activism contrasts sharply with the anti-government rhetoric so popular a decade ago.

Many also say government spending priorities are wrong — that more needs to be done at home. Wilma McBee, 57, an account manager at a medical center in Park Forest, Illinois, complained that while her daughter was forced to "wipe out her savings" to satisfy the federal tax collectors, President George Bush forgave "Egypt's $7 billion debt. It amazes me that in a country like this, we can't fund our social programs. The federal government has sent off money in the wrong direction."

Anger about waste in government programs — especially welfare programs — remains powerful, constraining liberal impulses and reinforcing electoral cynicism.

The misgivings about domestic spending generally and welfare specifically — "People need a hand up, not handouts," said Ross Eric in suburban Chicago — weaken liberal momentum.

Another complaint that surfaced among a number of the white swing voters was of discrimination.

Donna Parker, wife of a Chicago policeman, discussed her children's future, saying it would "definitely be harder for them. The cost of living is one thing, and then as far as employment is concerned, you're not judged on your effort. A lot has to do with your color or sex. I think they'll face reverse discrimination."

John Hedderman, a 31-year-old Chicago electrician, complained that employers "cater to blacks."

The one area on which all these concerns focus is the broad and intense distrust of politicians.

"The worst thing we did" was in voting politicians "a full-time job," said James Van De Veer, the owner of a woodcarving shop in Washington, Illinois. "That's the worst thing we did. Now it's not a single system, it's a double system. There is us, and there is the politicians, and they are a separate entity. They are not for us they are not with us."

"There is so much waste," said Rosemary Bialk in Chicago. "It's like a pyramid. One guy hires two and they hire four. Politicians never seem to be doing what they should be doing. It doesn't matter who is in office. They just don't do what they promise."

The poll interviews showed that most voters had only fragmentary knowledge at this point of the records, reputations or positions of the Illinois gubernatorial candidates: Attorney General Neil Hartigan, a Democrat, and Secretary of State Jim Edgar, a Republican. In the state's other top race, for the U.S. Senate, the leading candidates are the incumbent, Senator Paul Simon, a Democrat, and his Republican challenger, Representative Lynn M. Martin.

The sense of pessimism and futility colors the way many of the voters look at such problems as the collapse of the savings and loan industry. Instead of placing responsibility on one party or one group of politicians, many suggested that the collapse grew out of a corrupt system.

The threat that sticks all the candidates — as it does the American political system — is this cynicism, which makes so many voters say it's all a sham.

In a neighborhood on Chicago's Northwest Side, a retired factory worker, Augustine Medina, exploded in anger when asked about politicians.

"Everyone is a liar," he thundered. "They say something because they want your vote. Daley said if we voted for him, our taxes would not go up. I voted for him and now I have to scrape the bottom of my pockets for the last penny to pay the taxes." He was referring to the mayor of Chicago, Richard M. Daley.

■ Limiting Terms of Office

In a revolt against entrenched politicians, three states are on the verge of limiting the terms of their state legislators. The Washington Post reported from Los Angeles. Oklahoma is almost certain to pass a measure Tuesday for 12-year limits on the terms of senators and representatives, advocates say, and polls show strong support for term-limiting measures on the November ballots in Colorado and California.

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Finland	Fm.	2,000	1,276	1,100
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— *hand delivery	D.M.	756	261	389
Great Britain	£	150	105	82
Greece (mail)	Dr.	40,000	32,800	22,000
— hand delivery Athens	Dr.	50,000	22,800	28,000
Ireland	Ir.	155	118	85
Italy	Lire	450,000	350,800	250,000
Luxembourg	L.Fr.	11,000	7,200	6,000
Netherlands	Fl.	600	492	340
Norway (airmail)	N.Kr.	2,500	1,868	1,400
— **hand delivery	N.Kr.	3,000	1,368	1,650
Portugal	Esc.	31,000	30,900	17,000
Spain (mail)	Ptas.	55,000	25,080	19,200
— ***hand delivery Barcelona, Bilbao, Seville Ptas.		38,000	22,080	20,900
— ***hand delivery Madrid	Ptas.	51,480	—	25,740
Sweden (airmail)	S.Kr.	2,200	1,440	1,210
— **hand delivery	S.Kr.	2,800	840	1,540
Switzerland	S.Fr.	500	446	275
Rest of Europe, North Africa, former French Africa, Middle East	$	500	Varies by country	275
Rest of Africa, Gulf States, Asia	$	650		355
Central/Latin America	$	600		330

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AMERICAN TOPICS

Snapping Presidents: A Sensitive Vocation

There are photographs of all but the first seven U.S. presidents. Photography had a role in its first presidential campaign in 1860, when Abraham Lincoln said Matthew Brady's widely distributed photograph of him helped get him elected.

Lyndon B. Johnson was the first chief executive to hire a full-time presidential photographer, the Los Angeles Times recounts. During the first year of his presidency, he perused a pile of pictures of himself and exclaimed, "Damn it, why can't they make good pictures of me like they did of Kennedy?" He hired Yoichi Okamoto that afternoon.

Different presidents have taken different views of the job. Mr. Johnson wanted pictures taken only of his left side, and barked when unflattering shots appeared in print. He himself edited all White House pictures for release.

Richard Nixon disliked having his picture taken and kept his photographer at a distance. In contrast, Gerald R. Ford had been a close personal friend of his photographer, David Hume Kennerly, even before he became president. Jimmy Carter disdained the position, asserting that it smacked of an "imperial" presidency. But he usually had a photographer around. Michael Evans recalls Ronald Reagan as "the consummate pro. He knew history would remember every photo if I didn't."

David Valdez, the current presidential photographer, says that while Mr. Reagan liked being photographed at work but not at play, George Bush is the other way around.

Notes About People

Arthur Ashe Jr., tennis star of the 1960s and 1970s, says the concept of affirmative action laws — giving job preference to members of minority groups — is insulting but important. "Affirmative action has provided many opportunities for thousands of dispossessed minorities, precisely because otherwise, many organizations and institutions would not have acted," Mr. Ashe, who is black, said in a speech at Northeastern University in Boston. "Yet, the very concept is insulting to me. I don't want affirmative action, I want human parity."

Norman R. Augustine, the businessman and former army under secretary whose "Augustine's Laws" spoofed government and business, has issued a revised edition aimed at a broader readership. Government programs "tend to start slow — and then tail off." On setting goals, remember that "if you try to please everybody, somebody isn't going to like it."

Short Takes

The State Department is banning smoking in its reception rooms. But Sarah Booth Conroy of The Washington Post reports that "nobody at State — though most go up in smoke at the thought of being quoted on the subject — thinks the agreement means what it says." Who, for example, is going to tell the Iraqi ambassador to put out his cigarette if he has come to sign an agreement to pull out of Kuwait?

A fender-mounted device that emits a high-pitched whistle inaudible to the human ear supposedly frightens deer and keeps them off the road. But experts say it works only under the ideal condition of a straight shot from whistle to deer, with the car not coming around a corner and no trees or other impediments in between.

Arthur Higbee

Cocaine Gangs Harvest Ex-Contra Weaponry

By Douglas Farah
Washington Post Service

BOGOTA — Weapons given by the United States to Nicaraguan contra rebels are ending up in the hands of Colombia's cocaine rings with increasing frequency, according to Colombian and Central American authorities.

Intelligence units in Colombia and the United States are also investigating reports that a boatload of sophisticated weapons, shipped from Italy and destined for the Medellin drug ring, arrived in Venezuela during the past two weeks and were then shipped to Colombia.

A report issued this month by Interpol in Colombia and obtained by The Washington Post outlines a new, formal alliance between the Colombian cocaine rings and criminal organizations in Italy and Spain to provide and distribute cocaine in Europe.

"We think the shipment, if it took place, could be the beginning of arms-for-cocaine deals with the Italian Mafias," a senior intelligence official said. "Essentially, this alliance saves the cartels a decade of work setting up distribution systems in Europe and gives them access to people with a long history of obtaining weapons."

Colombian officials are angered by the flow of arms from the contras. "Right now, we are not talking huge amounts of weapons found. We are talking about dozens, not hundreds, but it is growing and it is worrying," said a senior Colombian government official who monitors the drug war.

A new intelligence report by the government of Costa Rica, made public this week by Aportes magazine in San José, says the contras, who demobilized on June 25, turned in only half of their weapons to UN observers and are selling the rest to drug traffickers and others.

"Persons tied to drug trafficking have acquired all types of light arms and explosives, from AK-47s to land mines that were given by the United States to the Nicaraguan resistance," the report said. Its authenticity was confirmed in Bogotá.

The report said the contras turned in 62 Redeye portable anti-aircraft missiles to the UN, "but according to the inventories given by the government of the United States to the United Nations, half of the sophisticated arms are missing."

New York Frees Youth Seized in Parking Fracas

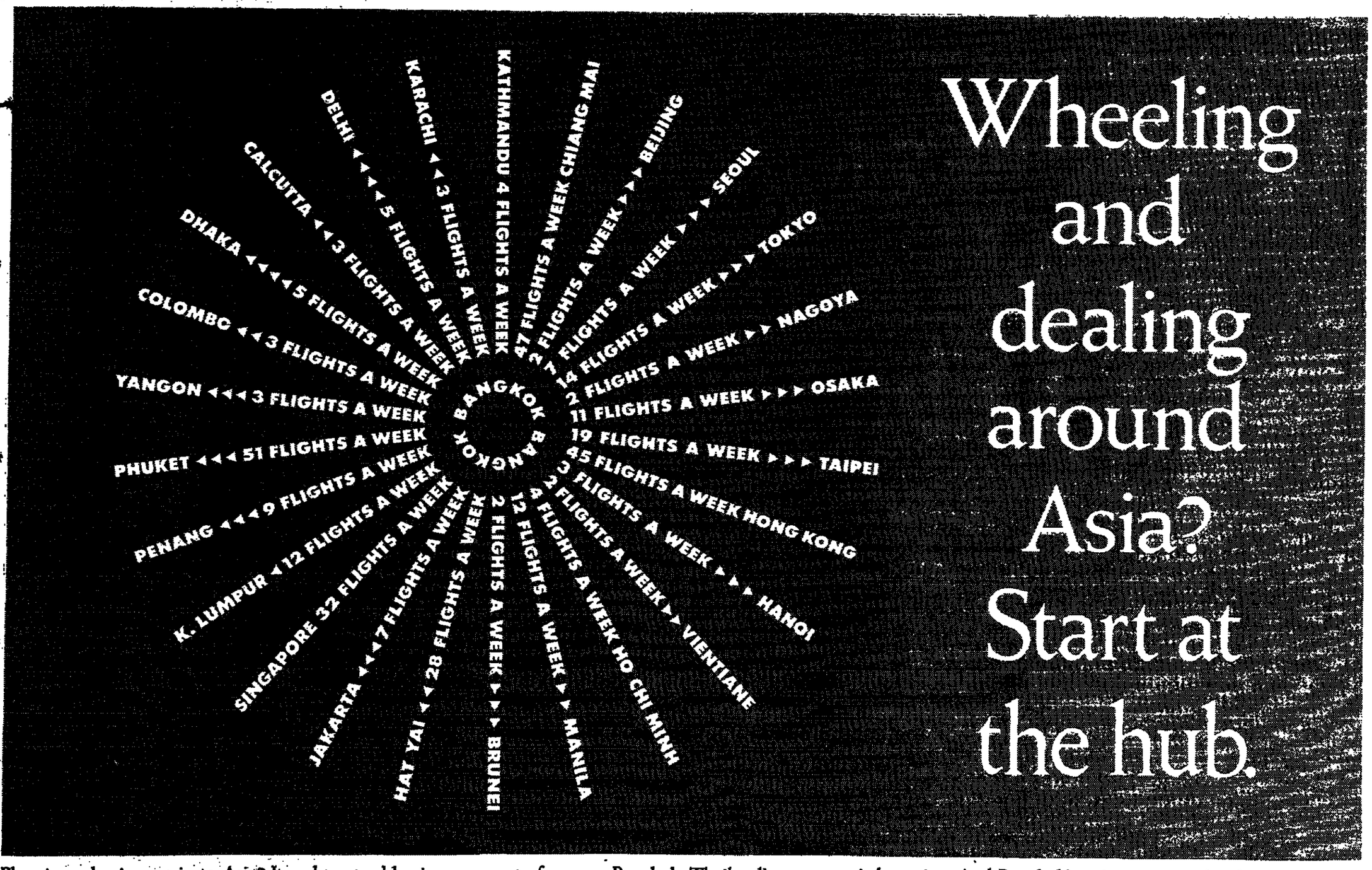
New York Times Service

NEW YORK — A man arrested on Thursday when a protesting crowd intervened as a woman's car was being towed away in midtown Manhattan has been released after being arraigned on a number of charges, including second-degree assault on a uniformed policeman.

The man, John Andrews, 23, a student at Long Island University, was released on his own recognizance.

Mr. Andrews' arrest and detention for nearly two days had been criticized by some of the other 150 or so members of the crowd, and by the New Jersey woman whose illegally parked Volvo touched off the incident.

The motorist, Stephanie Gorski, 23, called the charges "ridiculous" Saturday. "The majority of the crowd was made up of white businessmen in suits," she said. "It was much easier for the police to grab a young black kid to set an example."



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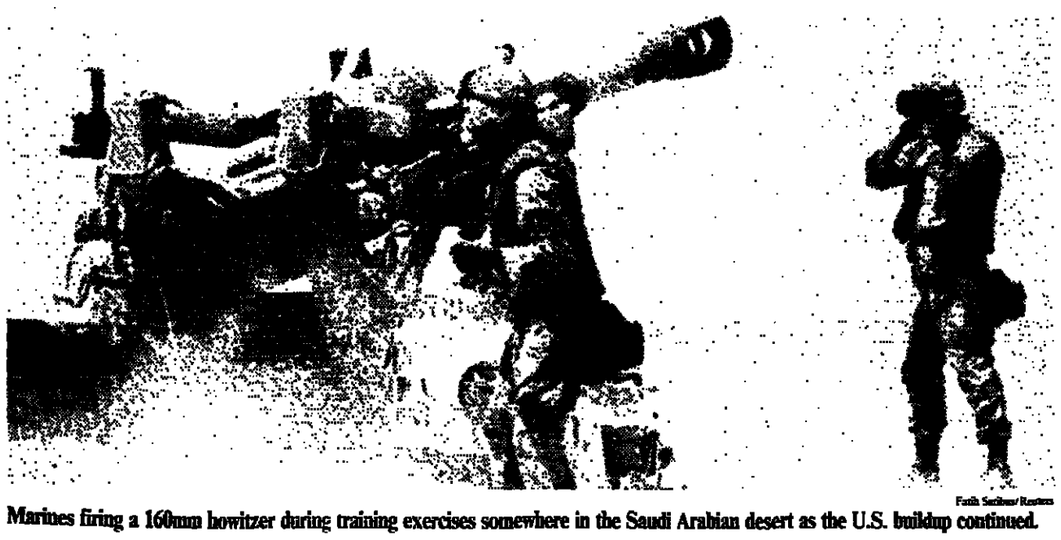
FACE-OFF IN THE GULF: The continued buildup by the U.S. and its allies will go beyond a 'credible defense' to give 'additional military options' for Bush



Faith Saulnier/Reuters

Marines firing a 160mm howitzer during training exercises somewhere in the Saudi Arabian desert as the U.S. buildup continued.

U.S. Forces Grow in Offensive Capability

By Michael R. Gordon
New York Times Service

IN SAUDI ARABIA — Five weeks after the first U.S. forces arrived here, the United States is building up its offensive capability against Iraq, according to U.S. officials.

Officials say the United States has already achieved a credible defense of Saudi Arabia, adding that a major expansion in U.S. and multinational ground forces is planned.

Britain and France recently announced that they were sending several thousand ground troops to Saudi Arabia, and Syrian and Egyptian officials have said they were planning to expand their troop presence.

The United States plans to deploy more than a division's worth of tanks and other armored vehicles. And officials say that still more U.S. forces could follow.

Publicly, the U.S. and Saudi military officials say the primary role of U.S. armed forces is to protect the Saudi kingdom against attack.

But a senior official, who insisted on not being identified, said a continued buildup would give President George Bush "additional military options."

"Right now, we have a credible defense in which we would exchange space for time," he said. "The basic plan is to build a robust defense to stop them more quickly with fewer casualities. But at some point, there is not a clear distinction between that kind of force and kind of force that you would want for an offense."

Asked if the United States had enough force to take Kuwait, Major General Royal N. Moore Jr., commander of the 3d Marine Air Wing, said:

"Day by day, you see the ships arriving with M-1 tanks and everything. Without question, if the force level continues, there will be a period in time that we have enough combat power on the ground to do that, if the president wanted to do that along with the Saudi Arabians and the other Arab nations that are now involved in it."

Iraq still remains a formidable foe. Even when all of the U.S. and multinational units are in place, they will be considerably outnumbered by the 265,000 or so Iraqi troops and 1,200 Iraqi tanks now said to be in Kuwait and the southern part of Iraq.

The coordination of a multinational force in Saudi Arabia of disparate nationalities and weapon systems will also be a serious challenge.

Some senior U.S. military officers said that joint U.S. and Arab exercises should be carried out to help pull the multinational force together, no small undertaking as it took weeks for the Marines just to arrange to test fire their weapons.

Nonetheless, the continued buildup of U.S. and other forces here has clearly shifted the terms of the debate from how well the United States and its allies would defend the Saudi kingdom to how well Washington and its allies might exercise an "offensive option" to push the Iraqis out of Kuwait.

The Iraqi president, Saddam Hussein, "missed his opportunity if he wanted to do something," General Moore recently said.

"There is just too much firepower in the country right now for him to even think of something like that now," he said.

Other U.S. officials said the mobile desert warfare tactics being practiced here to defend against an Iraqi attack are also well suited for offensive actions.

The distinction between mobile defensive tactics and those used for offenive purposes is "very, very blurred," said Lieutenant General Walter E. Boomer, who commands the Marine forces here.

"I define a mobile defense as one that can maneuver and strike at weak points as they develop during the course of the battle in contrast to a static line, where you dig in and hold with infantry," General Boomer said. "Our defense will be mobile and will be aggressive."

The initial U.S. deployments were small and more vulnerable than the Pentagon acknowledged.

"We thought we were going to get hit off the boat," said Sergeant William Darnell from the turret of an M-1 tank. His unit, the 24th Mechanized Infantry Division, arrived weeks after the initial deployments by the 82d Airborne, 1st Tactical Fighting Wing and the Marines.

But fears of an immediate Iraqi attack have largely dissipated.

The Marines have assembled a division of about 30,000 men in the East, which is equipped with somewhat more than 100 M-60 tanks, according to publically available estimates.

That force is charged with protecing a port and guarding a north-south highway running down from Kuwait.

A Marine expeditionary brigade of more than 10,000 men is afloat in the Gulf, providing an option for an amphibious landing.

The mere presence of the Marines offshore can also be used to tie down Iraqi forces near the coast.

The Marines also have a large force of FA-18 fighter-attack planes, A-6 bombers and Harrier jets, among other aircraft.

The army, whose heavy units have taken longer to deploy, has three divisions, including the 82d Airborne and the Army's 24th Mechanized division, which is equipped with modern M-1 tanks and Bradley fighting vehicles.

While the rules of military censorship do not allow the disclosure of exact number of weapons, units of the size of the 24th Mechanized division normally have somewhat more than 200 tanks and about 300 Bradley fighting vehicles.

Also deployed with the 24th Mechanized is the 101st Airborne, which has anti-tank Apache helicopters.

Additional units being sent to the Gulf will provide about 20,000 additional men and more than 400 additional tanks, according to estimates by experts outside government.

Even so, some experts question whether the United States will have a powerful offensive capability after all of its forces are deployed.

"We have certain advantages," Representative Les Aspin, Democrat of Wisconsin, chairman of the House Armed Services Committee, said by telephone. "We have air power and we can fight at night."

"But they have mass," he said, referring to Iraqi ground forces. "You are looking at very, very large numbers. We have got enough to defend."

For Israel, Crisis Alters Rules of Regional Game

By Jackson Diehl
Washington Post Service

JERUSALEM — The upheaval in the Middle East's political and strategic order appears likely to force Israel to remake its security strategy and possibly to face the issue of its occupation of Arab territories after years of stalemate.

From its position on the sidelines of Iraq's confrontation with a U.S.-led alliance, Israel until now has often considered itself among the prospective winners in the crisis. This is because of the likelihood that two major enemies — Iraq and the Palestine Liberation Organization — eventually will be defeated or discredited.

Still, the recent U.S.-Soviet summit meeting in Helsinki and ensuing events have made clear that Israel, too, faces an upheaval in its diplomatic and military standing as a result of the multinational effort to make the Middle East the testing ground for a new world order.

On the simplest level, the Bush administration's move to forge a strong military and strategic alli-

NEWS ANALYSIS

ance with Arab states in and around the Gulf, and to provide them with tens of billions of dollars in new weapons, has threatened Israel's primacy as a U.S. regional ally. Also shaken is Israel's traditional policy of maintaining qualitative superiority over its neighbors in military hardware.

In addition, President George Bush's invitation in Helsinki for the Soviet Union to assume a greater role in Middle East affairs marks implicit preparation for a development that Israeli leaders deeply fear: an eventual joint superpower effort to resolve the Israeli-Palestinian conflict. Such an initiative probably would result in the strongest pressure in years for Israel to withdraw from the West Bank and the Gaza Strip.

"I think the rules of the Middle East are likely to change radically," said Gerald Steinberg, a political scientist at Bar-Ilan University in Tel Aviv, "and a lot of the principles Israel used to live by are going to be viewed differently."

Despite the possibility of Soviet involvement, most Israelis continue to believe that a new Middle East order will be dominated by the United States. That is a double-edged prospect: Although Washington is committed to Israel's security, its new role may make it less responsive to Israel's ambitions for sustaining regional military superiority and occupation of the West Bank and Gaza.

The erosion of Israel's position can already be seen as Washington prepares to sell Saudi Arabia $20 billion in advance weapons and technical support. That country's hostility to Israel had until now limited its ability to obtain U.S. weapons. Israeli concern has been heightened by Washington's evident reluctance to compensate immediately with new weapon supplies or a write-off of Israel's military debts.

Even though some Israelis think that the U.S. military deployment in the Middle East protects Israel in the short term from any Arab attack, many Israeli strategists believe the country needs more substantial guarantees of security. Israel, they say, should aspire to become a direct part of any new network of alliances set up by the United States with its Arab allies. Or, at least, Israel should aspire to set up parallel arrangements with Washington.

Dore Gold, an expert on U.S.-Israeli strategic relations at the Jaffee Center of Tel Aviv University, said the new framework could resemble the "strategic consensus" that Alexander M. Haig Jr. aspired to create between Washington and Middle East states in the early 1980s, when he was secretary of state.

That would mean a series of parallel agreements between the United States, individual Arab states and Israel, with the aim of deterring a common enemy. The difference is that Iraq would take the place of the Soviet Union as that enemy.

Other observers say Israel should seek to secure its relationship with the United States by negotiating a formal defense treaty with Washington. This step was once a primary Israeli objective but has fallen from favor in recent years. Past U.S. administrations have taken the position that such a treaty should be linked to a withdrawal from the occupied territories.

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- Providing legal advice to the meetings of the governing bodies of the Fund, inter alia, on the interpretation of the Agreement Establishing the Fund and related international agreements and decisions;
- Acting as Conference Secretary to the meetings of the governing bodies of the Fund and in this capacity supervising the preparation, translation and distribution of the relevant documents, and assisting the Chairman during the meeting;
- Advising on legal aspects and, when necessary actively participating in the preparation, negotiation and execution and follow-up of loan, credit and other agreements and contracts by the Fund;
- Acting as Special Assistant to the Managing Director;
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- Assisting the Chief Finance Officer in the preparation of periodic reports on investments for the governing bodies;
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- Preparing reports and observations for the fund's staff;
- Preparing yearly documents for the perusal of the External Auditors;
- Other related duties as required.

Qualifications/experience:
Advanced university degree in accounting, finance, business administration, banking, commerce, economics or equivalent professional qualifications plus 5 to 8 years professional experience.

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at P3 Level

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FACE-OFF IN THE GULF: As the Security Council condemns Iraq in a unanimous vote, the French and Germans strengthen Washington's hand

Mounir Azzoz/Reuters

Secretary of State Baker, left, and Chancellor Kohl after their talks. Mr. Baker said the aid package went beyond what he had expected.

Paris Increases Force After Kuwait Raid

By William Drozdiak
Washington Post Service

PARIS — President François Mitterrand has announced that France will send 4,000 ground troops backed by tanks and combat aircraft to Saudi Arabia and will seek to extend the sea and land blockade authorized by the United Nations against Iraq to cover air traffic.

He also said that his government would expel more than two dozen Iraqi military attachés and intelligence agents affiliated with their embassy in Paris along with 26 other Iraqi military trainees on study programs here.

Mr. Mitterrand said all other Iraqi diplomats would be forbidden to travel outside Paris.

[Iraq denounced France's decision on Saturday, saying the measures were aggressive and a pretext for aggravating the crisis. A government spokesman, quoted by the official Iraqi news agency, INA, in a dispatch monitored in Nicosia, said the French government "must bear full responsibility for this escalation" and its consequences.

["The French government has for some time been seeking a pretext to aggravate the situation and justify its policies, which are imperialist, aggressive and completely aligned to the policies of the United States," he said.

[The Iraqi ambassador to France, Abdul Razzak Hashimi, said the French action was "unjustified escalation" that would bring reciprocal retaliation from Iraq at the diplomatic level.]

The French measures were taken at an emergency cabinet meeting on Saturday after Iraqi soldiers forced their way into the French ambassador's residence in Kuwait, taking away three French citizens.

Mr. Mitterrand said he believed that they had been moved to strategic sites to join hundreds of other Western hostages serving as human shields to forestall an offensive strike by U.S.-led forces in the Gulf.

Speaking at a press conference after chairing the session with senior ministers, Mr. Mitterrand said he had detected "no sign coming from Iraq about avoiding armed conflict." He contended that the Iraqi leadership is displaying "a bellicose spirit that seems to measure risks badly, so we have to prepare ourselves."

The 4,000 new French troops to be sent to Saudi Arabia will consist of three regiments. The first will be composed of infantry units equipped with anti-tank weapons; another will operate 48 attack helicopters and a third will be sent with 48 tanks and other armored vehicles. In addition, 30 more combat aircraft and their crews will be sent along with Mistral anti-aircraft missile units.

France already maintains the largest foreign military contingent in the Gulf after the United States, with more than 4,000 men aboard nine warships and the aircraft carrier Clemenceau and 5,000 based in Djibouti.

The French ground forces are expected to coordinate closely with the multinational force of American and Arab troops in Saudi Arabia.

Mr. Mitterrand stressed that French strategy is still based on strict enforcement of the global trade embargo on Iraq. He said it was particularly deplorable that there was already a "fairly long list" of countries and Western firms, including French ones, that have tried to circumvent the boycott and deliver goods to Iraq.

As a result, he said, France, as one of the five permanent members of the UN Security Council, would propose a resolution to expand the blockade to air traffic. He said the council should also find ways to punish all countries and business firms that break the embargo.

Referring to the past decade of friendly relations when Paris provided Baghdad with a formidable arsenal of sophisticated weapons, Mr. Mitterrand said it was particularly tragic that "the country that saved Iraq from defeat in its war with Iran should be the victim of this attack."

Bonn Promises $2 Billion Aid Package

By David Hoffman and Marc Fisher
Washington Post Service

WAHN-HEIDE, West Germany —Chancellor Helmut Kohl has announced a $2 billion package of measures to support the multinational forces in the Gulf and the nearby states hurt by the global economic embargo against Iraq.

But Mr. Kohl maintained that the West German Constitution barred an active military role on the ground of the kind that Britain, France, Italy and Canada have agreed to in recent days. Japan, which has similar constitutional constraints, has pledged $4 billion to the effort in the Gulf.

Mr. Kohl, flanked by U.S. Secretary of State James A. Baker 3d outside his hometown residence here this weekend, acknowledged that other nations were putting soldiers on the line in the Saudi Arabian deployments to protect oil flows to Germany and Europe.

They are, he said, "acting on our behalf, and they are also defending our interests." He added, "Let me say very frankly that I am dismayed we are not completely free to act in the community of nations in a way we would like to act."

He said that Germany was "tops in the field of exports," but that it was not fully assuming its responsibility in the Gulf. Mr. Kohl pledged to seek a constitutional amendment, after all-German elections in December, that would relax the post-World War II restrictions on offensive German military activity abroad.

Mr. Baker completed a 10-day, nine-nation tour that elicited more than $16 billion in economic and military aid pledges — $12 billion of the total from Arab states and the rest from European allies.

"Being more means doing more," Mr. Baker said, referring to the official merger of the two Germanys next month. "No one could draw any conclusion but that Germany is doing more."

He said the proposals "go beyond" what German officials had suggested in private discussions and "substantially so."

Referring to criticism in the U.S. Congress that Germany was not carrying its share of the burden in the Gulf, Foreign Minister Hans-Dietrich Genscher, who met with Mr. Baker separately on Saturday, said he was convinced that "these political voices will be silenced" by the German announcement.

In Washington on Sunday, two congressional leaders cautiously welcomed the added allied support. In a televised interview, the House speaker, Thomas S. Foley, a Democrat from Washington state, called the German and Japanese decisions "welcome news".

But Senator Bob Dole of Kansas, the Senate Republican leader, said the true test would be the extent of allied support "over the long haul."

He added that any delays in carrying through with promised aid could spark further criticism.

"Obviously, we think there should be a substantial contribution by Japan," he said. "If it doesn't come, then you'll see the mood in Congress change."

The German package will be split about in half between transportation and financial aid to the United States for Operation Desert Shield and money to aid Egypt, Jordan and Turkey, which have suffered economic losses as a result of the UN sanctions against Iraq.

The package will be supplemented with a previously announced $270 million German allotment to the European Community effort for the frontline states.

According to Mr. Kohl, the new proposal includes vehicles, radio and engineering equipment, cranes, generators, water tanks and equipment to help resist chemical and biological warfare.

Some of the money will go toward chartering commercial aircraft and merchant vessels to transport U.S. troops and equipment to the Gulf, West German government sources said.

In another development on Sunday, Italy expelled several Iraqi Embassy employees and limited the movement of others in retribution for raids by Iraqi forces on Western embassies in Kuwait. The Foreign Ministry, in a communiqué, said that all military officials in the military attaché's office at the Iraqi Embassy in Rome were given 10 days to leave the country.

The other diplomats at the mission were forbidden to go more than 30 kilometers (18 miles) from the center of Rome without permission.

■ Protest in Madrid

Thousands of protesters marched in Madrid on Sunday to denounce the presence of Spanish warships in the Middle East and urge the crews to desert, The Associated Press reported.

It was the biggest anti-intervention rally in Spain since the Socialist government sent a frigate and two corvettes to help enforce the UN embargo against Iraq earlier this month.

Egypt Will Send 15,000 More Soldiers to Saudi Arabia

Reuters

CAIRO — Egypt is sending 15,000 more troops to Saudi Arabia to join the 5,000 soldiers and paratroops already in the kingdom, defense sources said Sunday.

The fresh troops, backed by tanks and other armor, will start leaving for Saudi Arabia on Monday, the sources said.

President Hosni Mubarak pledged the new troops after talks in Cairo earlier this month with Secretary of State James A. Baker 3d, the sources said.

The airlift of mechanized, armored and infantry soldiers is to take several days. Tanks, armored personnel carriers and Egyptian air defense systems are to be shipped across the Red Sea.

Diplomats said Syria, which has 4,000 troops in Saudi Arabia, had pledged to send as many as 11,000 more soldiers and 300 tanks to the kingdom since Mr. Baker's visit to Damascus on Thursday.

Syria, Morocco and Egypt, which emerged as the leader of Arab states opposed to Iraq's Aug. 2 invasion of Kuwait, have all sent troops to the Gulf to help a U.S.-dominated effort to defend Arab states against Iraqi attack.

Saudis Buy $20 Billion In U.S. Arms

By Eric Schmitt
New York Times Service

WASHINGTON — In the single largest arms sale ever, the United States has agreed to sell Saudi Arabia about $20 billion in advanced weapons and technical support over several years, according to the Pentagon.

The sale expands by billions of dollars previously announced arms sales to Riyadh and reflects the Bush administration's eagerness to use the Gulf crisis as an opportunity to sell the Saudis weapons they have sought for years.

Officials said earlier that the United States was planning to sell Saudi Arabia hundreds of advanced tanks and armored vehicles and thousands of trucks as part of an $8 billion package.

The new disclosure, however, broadens that deal to include F-15 fighter planes, Patriot ground-to-air missiles, Apache anti-tank helicopters and possibly mobile missile launchers. Also included are spare parts, training and maintenance of the equipment.

The sale — to be paid for in cash by the Saudis — represents a windfall for military contractors, who until the Iraqi invasion of Kuwait had gloomily anticipated cuts in spending.

"This could be called the defense industry relief act of 1990," said a senior congressional aide, who expressed amazement at the magnitude of the sale.

Even Pentagon officials privately expressed surprise at the scale of the arms sale, which is expected to meet little resistance in Congress.

In addition, congressional officials said the agreement calls for building new airfields, barracks and other support structures.

A shortage of available airfields has forced the United States to station fighter and transport planes in several adjacent Gulf countries.

Congressional supporters of Israel, the chief U.S. ally in the Middle East, have in the past stymied or reduced the size of arms deals to Arab countries.

But the specter of Iraqi troops attacking the American-led international force in Saudi Arabia has muted even Israel's staunchest supporters on Capitol Hill.

Another UN Condemnation of Iraq

By Trevor Rowe
Washington Post Service

UNITED NATIONS, New York — The Security Council on Sunday unanimously adopted a resolution that strongly condemned Iraq for its violation of diplomatic premises in Kuwait. It said it planned to take further measures as soon as possible.

Diplomats here said one step under consideration was to tighten the embargo against Iraq by applying it to air transport as well as shipping.

There are also suggestions for secondary sanctions that would punish countries or companies that violated sanctions. There are persistent rumors that goods have been shipped either from or through Jordan, Yemen, Iran, Tunisia, Libya and Lebanon.

Although diplomats in New York indicated that such measures might take time to elaborate and adopt, the Security Council appeared intent on quick action.

"The council committed itself to take further action very firmly today, and we will begin active consultations I hope today," said the U.S. ambassador, Thomas R. Pickering, on Sunday after the 15-to-0 vote that led to the adoption of Resolution 667.

The adoption of the document is the direct result of Iraqi raids on the diplomatic missions of France, Canada, Belgium and the Netherlands. Four French nationals were seized, including the military attaché, the only one later released.

Sabah Kadrat, the Iraqi representative, told the Security Council that the information regarding the French diplomat was false and that France was responsible for the escalation in tensions.

The document calls for "further concrete measures" against Iraq, but the specifics are still unclear. Referring to the proposal for an air embargo, a French diplomat said that the issue was difficult and technically complex.

"There have not been any in-depth consultations at this stage," the official said. "It's hard to appreciate, but an aircraft is not a ship. While you can control a ship, aircraft can't be controlled except in terms of landings and interdictions. Technically it's a very complicated problem."

The British ambassador, Sir David Hannay, suggested that his country would like to focus on the problem of ensuring that the airspace of neighboring countries not be used as a means of delivering goods to Iraq in violation of sanctions.

"Resolution 661 applies to all trade, by sea, air or land," he said, referring to the resolution in which the embargo was imposed against Iraq on Aug. 6. "It may be desirable to ensure that if the overflight rights that countries enjoy are being abused by countries transporting air cargo in contravention of Resolution 661, it may be desirable to find ways of ensuring that the abuse of air-traffic rights ceases."

■ Zionism Issue Postponed

The Bush administration is postponing plans to seek repeal of a UN resolution equating Zionism with racism at the General Assembly this year. In doing so, it seeks to maintain Arab support for trade sanctions against Iraq and for the military buildup in the Gulf, UN and U.S. officials told The New York Times.

The decision to avoid a confrontation with the Arabs on this issue is widely seen as an indication that the upcoming General Assembly session will be dominated by discussion of the Gulf crisis.

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A Jittery Moscow Worries About Coups

By David Remnick
Washington Post Service

MOSCOW — Several days ago, the Russian republic's president, Boris N. Yeltsin, told the legislature that Soviet paratroopers were headed toward Moscow. In the parliament and on the street, the fear was the same — the fear of a military coup.

"They are trying to prove to us that these are peaceful maneuvers connected with the preparations for the parade," Mr. Yeltsin told the deputies, according to a Soviet press report, referring to the Nov. 7 Revolution Day parade. "But there are strong doubts about this."

The same military convoy frightened people so deeply in one Moscow neighborhood that the troops were sent back to their bases in Ryazan. Another regiment, according to military officials, was supposed to help in the potato harvest outside Moscow, and they returned to base as well.

The Communist Party youth newspaper Komsomolskaya Pravda, in an article about the scare, wondered why the troops, many of which arrived in 30 Ilyushin-76 planes at a military airfield near here, were dressed in combat gear, bullet-proof vests and helmets.

The paper eventually accepted the explanations of a paratroop commander about parade rehearsals and potato harvests, but added, "Of course, military exercises are needed and they go on all the time. But our country has not always been living in such tense times."

To prevent such rumors, the paper said, the army had an obligation to keep the legislature and the local population informed.

The Soviet Union, in all its history of civil wars, purges and Kremlin intrigues, has never had a military coup. But now in a period of confusion, protest and hard times, the fears of a coup are real. So real, in fact, that the Soviet leader, Mikhail S. Gorbachev, has been forced at times to dismiss them with his favorite word of derision — *chepukha*, or rubbish.

Especially since Mr. Gorbachev began his drive for change, Moscow has been — if cities can be said to have a personality — manic-depressive, swinging between euphoric hopes of change and terrifying fears of reversal. In the past year, as the economy has plunged, the periods of euphoria have been rare, the rumors of catastrophe more common.

The press, especially liberal papers such as Komsomolskaya Pravda, Moscow News and Literaturnaya Gazeta, have become increasingly bold about running stories about the possibility of a military overthrow.

And there is a certain logic to all the conspiracy theories. In the past few years, as Mr. Gorbachev's changes have included massive troop cuts and the use of troops to keep order in the republics, the senior military leadership has made little secret of its disaffection.

As Mr. Gorbachev shifts power to the government, they say, he leaves himself open to the danger of an alliance against him organized by the disaffected leaderships of the army, the KGB and the Communist Party *nomenklatura*.

But while the press has become more independent, newspapers often print articles for a political purpose: to send a warning.

A typical example appeared in last week's Moscow News. In an article headlined "Military Overthrow," the liberal journalist Andrei Nuikin quoted a member of the radical military servicemen's group Shchit who said, "The leadership of the armed forces already has a clear plan to take control of the situation in the country."

The scenario provided is nearly every Muscovite's worst nightmare: armed forces will start their overthrow region by region, beginning in the Far East. The soldiers will seize television stations and newspapers and will neutralize the ability of foreign journalists to get information out of the country.

The Shchit supporter said the military would justify the coup not by campaigning directly against Mr. Gorbachev's changes, but by claiming that ethnic tensions had gotten out of control, the economy was collapsing, socialism was endangered and that the situation required emergency measures.

Dissident Priest's Killing Shocks Soviets

By Francis X. Clines
New York Times Service

PUSHKINO, U.S.S.R. — The old woman at the grave knew everything about the slain priest, each detail, even that it was the blade of the ax and not its heel that struck him down.

"The final path of this holy man was marked with his own blood," said Tatyana Tepnina, 86, a Russian Orthodox believer, rising from the ground in Pushkino, which is just north of Moscow, where she has prayed daily at the grave of the Reverend Alexander Menn, a celebrated dissident and churchman whose slaying Sept. 9 has become a national mystery and scandal.

Father Menn was such a symbol of the quiet endurance of religious belief in the face of state harassment that even President Mikhail S. Gorbachev took note of his death in parliament the other day and demanded to know who would kill such an innocent, revered citizen.

"He was the pastor to many human rights champions, prisoners of conscience, those who were persecuted by the authorities," Izvestia, the government newspaper, said in his obituary. "His work in providing spiritual support to many intellectuals in disgrace brought him true friends, but also real foes."

The latter is a most bitter truth for Miss Tepnina, who had known the 55-year-old priest since he was a toddler.

"They tried to drive him away," she said, speaking of a range of possible threats in vaporous references that summoned state and church cabals, now all the stuff of high popular speculation.

Father Menn was an unusual combination of country priest and intellectual pastor, a worker accessible to Muscovites who admired him for rebuffing KGB snoops across the years as plainly as he denounced the fools who were pestering him of late in the name of the renewed fervors of rightist Russian chauvinism and anti-Semitism.

He was at the forefront of rebuilding the church after its decades of being tested by the government's deadly purges and corrupting intrigues among church clergy.

He had recently opened a new urban outpost, a Sunday mission in Moscow where he spoke of the church as a human institution of creative love, and the audiences for such a message, people searching afresh after all the official nonbelief, were growing.

The least-accepted explanation of the slaying among people who knew the priest *is* the police suspicion that he was assaulted by a robber, rather than a conspirator from one of the nationalist groups that resented his preachings against zealous nationalism and resurgent anti-Semitism.

"It was a political assassination," insisted Tatyana K. Sagalayeva, who converted to Christianity nine years ago.

Those were the days when Father Menn routinely enraged local officials by neglecting their demands to register sacramental events that he preferred to keep between himself and his congregation.

The facts of the killing are as bare as they are grisly. They easily invite the fresh rounds of anxiety and rumor that so often seem to feed routine existence.

This is a nation where people enduring the long wait on line for shoes or food can darkly yet somehow casually discuss the latest newspaper speculation that yes, of course, a military coup seems more possible than ever.

The gray-bearded priest, following his Sunday morning routine, had left his home in Zagorsk, walking to the station through a wooded grove to take a train to his parish.

"An unknown assassin jumped out from the woods at him and delivered the lethal blow with an ax," said Stepan Astachkov, a deputy chief of homicide. "We found traces of blood and a struggle."

At the funeral, a larger explanation was offered by the Reverend Alexander Borisov, who said, "It's as if God, wanting to address the heart of each of us, wants to tell us something very important, that the struggle has started: for Russia, for the people, and there is Father Menn at the head of us all."

Other people at the funeral simply counted the good men the nation cannot afford to lose in its current troubles, measuring the slain priest as less celebrated but no less vital than Andrei D. Sakharov, the great prodder of state and conscience who died in December.

Father Menn was educated as a biologist and a theologian, the latter a role he is remembered for pursuing both in long conversations with intellectuals and country people and in writing a six-volume work on the search for the truth of human existence.

"He loved people, simple people, the intelligentsia," said Miss Tepnina, watching the day's pilgrims drift into the muddy graveyard.

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THE OPENING OF THE EAST: The shock of the cultural upheaval will take a whole generation to be fully assimilated

A Tale of 3 German Cities: Evocations of Grandeur Past

International Herald Tribune

DRESDEN — Traveling through half a country where the clock stopped for half a century is an experience that will be the privilege of our generation for the next few months, perhaps only the next few weeks. Things will change soon in the former German Democratic Republic.

The minute the visitor dives into what used to be East Berlin, he is aware that this is a different world. The change is much for the worse concerning the cityscape. There is not a great deal left that conjures up images of the architecture of yore.

One restoration attempt, which led to the rebuilding of the Französische Friedrichstadtkirche, gives some idea of the beauty of the classical kind of monumental art imported in the late 17th century by the French Protestant settlers — the Huguenots so ill-treated by Louis XIV of France. They rethought it in new terms for their country of adoption. Louis Cayart, who built the church between 1701 and 1705, produced a monument that does not look French.

Elsewhere, buildings such as the Prinzessinnenpalais — which owed its 1733 facade to Friedrich Wilhelm Dieterich, was virtually destroyed during the war and was rebuilt in 1969 to become the Opernpalais — and similar structures in Unter den Linden are best left alone. They are a brutal reminder that a monument that has disappeared can never be resuscitated. The softening of age is gone. It is as artificial as plastic surgery, but unlike the restored human, the rebuilt monument loses its soul.

It is possible to get a different, if faint, whiff of less formal architecture of the period from some pleasant facades on half the periphery around the Nikolaikirche. The church was, alas, also rebuilt, in 1981. The architectural setting manages to recapture the charm of the quiet provincial city that Berlin once was. In the church, some sculptures of the Gothic age, the Renaissance and the Baroque period have been gathered from various locations, making it a worthwhile artistic pilgrimage.

One of the most authentic surviving monuments of Berlin is the Pergamon Museum, with its twin building that houses the Bode Museum, its Old Masters collection and its first-class display of medieval art. Rushing in to admire the art of Greece and the Ancient East, visitors barely give a glance at the sternly impressive structures that rank among the more unusual achievements in the neo-Roman taste by the 19th-century European architects. Nearby, at Kupfergraben 7, the Magnushaus is about the most elegant town house of the Baroque period that survived the devastation more or less unharmed.

It takes less than three hours by train to get away to a dream city, Dresden, which once ranked among the jewels of Europe. It came out of World War II with, perhaps, one third of its Baroque Age masterpieces of architecture. Even so, Dresden is the only city where one begins to apprehend the heights to which North European Baroque rose. The urban layout must have been among the most dazzling in Europe. Enough survives that it is still breathtaking.

To take in the best of it, one should start from the Hotel Bellevue and walk toward the Blockhaus, a superb structure in a restrained version of the French style, planned in 1732 by Zacharie Longuelune and continued by a German successor. Turning right to cross the Elbe over the marvelous 18th-century bridge called the Augustusbrücke, the visitor can take the measure of one of the grandest architectural vistas in Europe, uniquely suited to its site. On the other side of the water, the Kathedrale, designed in 1739 by the Italian architect Chiaveri, rises with its aisles that look like the facade of a classical palace. The tower begins in the same vein, with greater lightness thanks to two octagonal sections of decreasing width supporting a square pavilion on slender pillars. The fig-like roof of pseudo-Eastern inspiration — it looks like the domes of Russian churches — crowns it with a touch of operatic fantasy.

To the right, on the vast circus of the Theaterplatz, a delightful low house known as the Italienisches Dörfchen (Little Italian Village), built in 1912-1913, shows what a remarkable sense of space and volume survived in Dresden at a time when decadence had set in heavily elsewhere. Drawing on the French Louis XV tradition, interpreted in a lighthearted mood, it sets off the more ponderous mass of the opera house. This is the work of Gottfried Semper, who repeated here his Berlin ideas. The miracle of town planning is that it all blends well.

Further up, the Zwinger is a palatial folly completed between 1711 and 1732. If architecture ever suggested dancing a jig, this is it. Every shape is twisted, every dome, every decorative escutcheon ripples in undulations. Bad taste is redeemed by dizzying eccentricity. Looking down from the terraced roof into the Nymphenbad with its rockeries, it fountains and its mythical beings, one is surprised not to see a ballet interlude being performed.

But emerging from this piece of carved ice cream petrified into architecture, one is struck by a harsh anticlimax: Across the street, the empty shell of the Dresdner Schloss, the Palace of the Electors of Saxony stands in desolation. Trees grow three stories high inside the roofless enclosure. Through the windowless openings, one sees their branches instead of palatial interiors. On Feb. 13, 1945, American and English bombs blasted part of the palace into a hollow box, destroying many of its unique features. The Renaissance Riesensaal (Hall of the Giants), with trompe l'oeil frescoes, built between 1548 and 1553 and remarkable for its vaulting, came down in dust.

The Grünes Gewölbe (Green Vault) and its Treasure House, now in the Pratiosensaal, received a direct hit. The silver, gold and precious stone pieces in the treasure had been removed for safekeeping.

But not all the palace, seething with art of every period, could be stripped bare, particularly not the works of art integrated into the architecture. Many were smashed. Some remain, scarred but still admirable. They were put together after painstaking and sophisticated restoration work, not resulting in a virtual remake. The baptismal font of the Schlosskapelle (Palace Chapel), made in the third quarter of the 16th century by Hans Walther II, is one.

An unforgettable temporary display in the rooms of the Grünes Gewölbe that have been restored shows what has been rescued and in what condition. Photographs taken from above the ruins give a bird's-eye view of what it all looked like in 1946.

Outside, a few hundred yards away, the Frauenkirche, built from 1726 to 1743 by Georg Bahr, serves as a complement to the prewar photographs. The ruins, preserved as they were in February 1945, suggest that this was the greatest Baroque church in Dresden.

To get the full picture, one should wander into the side streets. Near the Strasse der Befreiung, for example, opposite the Blockhaus, they allow a very different glimpse of Dresden's past. On the corner of Obergraben and Rähnitz Gasse, which is basically an 18th- to mid-19th-century street, I gazed at Obergraben 19, an apartment house dated 1730. Nothing has been touched since the end of the war. A blackened layer of very old orange ocher paint peels off the wall, revealing underneath the earlier grayish color. At the second-story level, a lovely wrought-iron lantern, its glass panes long gone, its iron carcass eaten away by rust and about to disintegrate, hangs from a projecting rod. The house and its rotting lantern speak volumes about neglect.

An hour and 40 minutes north by train, Leipzig forms a striking contrast to Dresden and to Berlin alike. At first glance, its overall appearance is that of a predominantly 19th-century town. It was remodeled in the Bismarckian era, as Paris was by Haussmann, with a better feel for nature. Beautiful trees line its squares and avenues, broader than those of Paris. The war caused limited damage. The Thomaskirche, where Bach played his own music for years, has elongated Gothic windows with slender colonnettes in the middle supporting pointed arches.

Near the church, some pretty 18th-century facades can be seen in Klostergasse. One wonders how much longer they can survive. At number 5 (the numeral is scribbled in white paint), a couple of windows indicate there is some life left on the second and third stories. The others are walled up with bricks and covered up in shreds of gray opaque plastic. Through the arched door, there is a narrow courtyard with stern facades, finely proportioned, but encumbered with huge bins yielding overpowering smells — the back door of a restaurant kitchen opens in one corner.

As in Dresden, the disdain of the bygone regime for the cultural past is blatant everywhere. Here, it also affects well-known monuments. One of the earliest of the two churches in the city, the Universitätskirche, was dynamited in the 1950s on the old Augustplatz, renamed Karl Marx Platz. In its place there now stands a high-rise belonging to the university complex with pretensions to modernity. Nondescript shoddiness mildly sums it up.

The well-built stone facades of the 19th century, the vast official monuments such as the old Reichstag (now the Museum of Fine Arts; a major Max Beckmann retrospective to be seen later in Frankfurt-am-Main is on through early November), the neo-Gothic churches — Sankt Petrikirche on Schletterplatz — testify to a prosperous past.

If there is a particular area where unity may be immediately effective, it must surely be in the collective rescue of the architectural past.

— SOUREN MELIKIAN

Transglobe

The ruins of the Baroque Frauenkirche in Dresden, preserved as they were in February 1945.

MARKETS: *Dealers Are Ready*

(Continued from page 1)

Sotheby's will be holding specialized sales within two years: "19th-Century Paintings of the Berlin and Dresden School," "Sezession," "Bauhaus." This is a realistic approach. Berlin, with its fantastic art wealth, is likely to become the art capital of Germany long before it is restored to its prewar role in political terms.

In Czechoslovakia, the pace is slower. On June 21, Sotheby's organized a "symposium" in Prague. Agnes Husslein, who runs Sotheby's Vienna office and is responsible for Czechoslovakia and Hungary, says the idea was to provide museum curators, art historians, art restorers and journalists with "information." Why the art restorers? Alex Apsis, director of Sotheby's 19th-century European Paintings, who gave a talk, explained that there were many talented restorers who would like to have a chance to work in the West. He added, "They know where the art is." Not that this is much good right now. Under Czechoslovak law, exporting works of art is not allowed, though the government is considering changes in the law.

Right now, there is no visible art market in Czechoslovakia, or, indeed, in East Germany. Art auctions do not exist, art dealers were not allowed to operate. The only trade permitted was through the state-run trading company. If anyone was discovered to own art, pressure was put on them to sell at low prices to the state company.

This has not helped protect the collective patrimony of privately held art in Eastern Europe, the basis for any art market. Out of the square miles of smoking ruins in Dresden and Berlin, not much survived of the porcelain, silver or furniture. In the upper tier of art, those who were rich and prudent sought to move their more expensive possessions to safer locations as Russian troops moved in.

On the other hand, it would be wrong to believe that devastation reduced it to a desert. Douglas said he recently saw three Emil Noldes and two Kirchners of high quality, and several very good watercolors and drawings. One of the Noldes will appear later at Sotheby's in a New York auction. The title of the picture is to be disclosed on Oct. 3, to celebrate German unity, he said.

According to Husslein, who is of Czech descent, the artistic patrimony there was well preserved, by and large, and very fine works are still in private hands. One can see fine paintings, superb silver, top quality Baroque and Biedermeier furniture.

Husslein argued that the law must allow some of it to be sold abroad; otherwise, a certain amount will inevitably slip across borders.

But Roman Herzig, the leading dealer in Old Masters in Austria, who is deeply interested in Central Europe, thinks there are limits to the danger.

"It would be very arrogant for us to believe that collectors have been assembling and keeping all these works waiting for us to rush in," he said. He speaks highly of a new wave of curators who have recently been appointed to sensitive positions.

Herzig hopes the art will stay in place. Taking works out of these countries amounts to treating them as art quarries. The area is in danger of losing yet more of its heritage, unless the works happen to be bought back by Eastern Europeans — a remote contingency.

The lack of capital is not the only problem. In the last five decades, most of those living in the East bloc thought of anything but buying art, in part because any suggestion of wealth equated with social opprobrium. Douglas, nevertheless, assured that collecting did not vanish. People felt so repressed that cultural life was their one outlet, he argued, adding that some went on amassing 19th-century German painting and Contemporary art.

Granting that this may be so, collecting would still have been on a modest scale. Sophisticated areas that require prolonged training of the eye and exposure to art collections scattered around the world were neglected.

More important, going to auctions is part of a whole culture.

Professionals reckon it is unlikely that it will lead to a developed auction network in the former East Germany. Indeed, the example of West Germany suggests that it will not. With all its formidable buying power, West Germany has a Lilliputian auction system. In art market terms, it is first and foremost a country of buyers, where collectors go to auction abroad or buy from the trade. Dealing may gradually appear, but will perforce operate on a limited scale.

Herzig summed it up neatly. "As long as there is not a healthy economy with people wanting to buy houses or able to rent spacious flats," he said, "there can be no question of an art market." Dealers will not be going there to sell.

Nor will they rush there to buy. The more important the art, the more careful they will have to be. Leslie Waddington of London, one of the driving forces in the European trade in 20th-century Masters and post-World War II art, put it bluntly: "There are important paintings out there that will raise the question of title to ownership. No seriously reputable people will go there looking around until they are sure such problems are resolved."

The question is equally crucial for auction houses. Noël Annesley, deputy chairman of Christie's, raising the problem when discussing the potential of East Germany and Czechoslovakia, said, "We would hate to have the profile of a company going in and capitalizing on a confused inheritance."

The Czechoslovaks, for their part, are looking to the Western auction world in the hope that they will be making Czech art better known abroad, Apsis remarked. At his symposium, he was struck by the naive eagerness of contemporary artists to get rich quickly. Perhaps they should heed the skepticism expressed by Waddington, who warned, "These people have lived in isolation for 45 years. Look at all great art in this century. It did not come about this way."

They will have problems, and so will have all those concerned with art and any East European country, but it all feels like an exhilarating new age coming on. For now, not much is going on. Daniel Katz of London, a leading European dealer in Renaissance and Baroque works of art, has not heard of any deals being made by anyone with Czechoslovakia in the last two years. Nor has Herzig, in his field. The art market in Eastern Europe has no present. It might have a future in 5 or 10 years. — S.M.

TREASURES: *The Greatest Impact Is Likely to Be Made by Museums With No Equivalent in the West*

(Continued from page 1)

but a handful of diplomats and other privileged travelers.

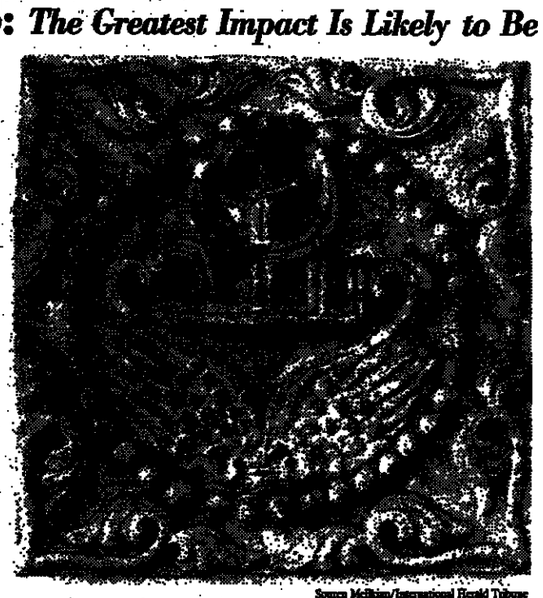
This is not just a matter of pleasant tourism. It is a cultural upheaval that will leave its mark on the way art is perceived and will take a whole generation for its shock to be fully assimilated. The greatest impact that the art treasures of Eastern Europe will have is likely to be made by those museums that have no equivalent in the West.

One is in Dresden. The Grünes Gewölbe (Green Vault) is the only royal *kunstkammer*, or "art room," that has come down virtually as it stood by the middle of the 18th century, with more than 3,000 works of art in gold, silver, precious and semiprecious stones. Formally established in 1560 by Augustus, elector of Saxony, the collection houses some of the most extraordinary three-dimensional works of art ever made in Germany.

The casket in gilded silver, rock crystals and ebony, designed and chiseled in Nuremberg in 1562 by the greatest Renaissance German goldsmith, Wenzel Jamnitzer, is one of a handful of pieces carrying his own mark. The reclining silver figure of a woman reading a tablet that is set on top of the casket, designed as a monumental pedestal, ranks among the most accomplished sculptures of the age.

Interspersed among masterpieces such as these are other works of unbridled imagination that illustrate what could be called the aesthetics of the surreal.

"Christ's Family Tree," made by a Nuremberg goldsmith around 1500, is strange and ambiguous. A rocky mound on which a bearded scribe lies on his back, almost propped against a hissing serpent, supports a trunk topped by spiky foliage. In the midst of the leaves, the Virgin emerges. She stands out against a gold plaque, which should be a mandorla, or oval halo of light, but is shaped after a cuttlefish bone. Gold wires jut forth and curve down in parasol fashion, holding gold-mounted shark's teeth. It all looks like some threatening parody smacking of witchcraft.



Soren Melikian/International Herald Tribune

A seventh-century stucco revetement plaque from the Sassanian palace at Ctesiphon, in a division of the Pergamon Museum.

More than the individual works, however, it is the dazzling, dizzying sum total of fantastic beings and contorted shapes that reveals in unique fashion the true nature of the Baroque mind. It is in Germanic "art rooms" such as this that medieval fantasy survived. Out of these grew the wildest aspects of Romanticism, which ultimately led to the aesthetics of the absurd — in other words, to the surrealism of our own time. If only for this reason, the Dresden Grünes Gewölbe is a crucial piece in Europe's common heritage.

Without that touch of insane grandeur, another unique creation of the East European museum world might not have seen the light of day. The Pergamon Museum ("Pergamum" for short) on the Museen Insel, or Museum Island, in the eastern part of Berlin is remarkable on countless scores. It houses some of the greatest sculptures from archaic Greece, as well as an impressive sequence of monumental carvings from the Hittite civilization of ancient Anatolia and Northern Syria. Its Assyrian bas-reliefs, Hellenistic and Roman marbles, unique porphyry statue, probably from Alexandria, and astonishing bronzes put it on a par with the British Museum.

But its distinctive feature is the gigantic collection of architectural monuments carried off from all over the Near East with the blessing of the Turkish sultans of the Ottoman dynasty.

There is the 36-meter-long (120-foot) altar from Pergamon and its bas-reliefs, carried off from the ancient Greek site 28 kilometers (17 miles) inland from the Aegean coast of present-day Turkey. Facing this is the market gate erected at Miletus in the second century. It is arguably the most beautiful surviving piece of architecture from the Greek world at the time.

In its Islamic division, the museum encloses the lower part of an extraordinary palace facade, carved with seething stylized foliage and animal figures, from Mshatta in present-day Jordan. It has been described as dating from the early Islamic period. Utterly different from any other known monument of the seventh or eighth century, it seems more likely to belong to the ultimate stage before the advent of Islamic art in the lands of historic Syria.

More subtly, the art treasures of Eastern Europe will gradually affect our perception of familiar art categories. Certain major works represent a whole world in themselves that does not merely add one more unit to an artist's oeuvre. Such is Leonardo's "Mona Lisa," and so are several key pictures from the Dresden Gemälde Galerie. Even the compressed selection temporarily on view puts it at the top of any art lover's priority list.

No claim to a thorough understanding of Giorgione can be sustained without seeing "Sleeping Venus." The ivory-like body of a young woman lies on the silk drapes of a couch set in an Arcadian landscape, in the last glow of sunset. The contrast between the pale golden light and the cold dusk settling over the undulating low mounds gives Giorgione's feel for the surreal an unusually high pitch.

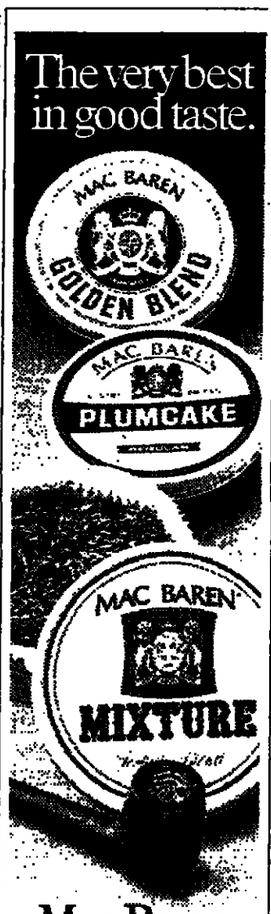
Raphael's "Sistine Madonna" sums up all that dazzled the Florentine painter's contemporaries: the monumentality combined with a virtuosity in draftsmanship. Green velvet curtains open to reveal a draped Virgin walking on clouds with the infant Jesus in her arms. Saint Barbara kneels at right, while Saint Sixtus (Pope Sixtus) stands in his bishop's gold brocades looking up at the Virgin and mysteriously beckoning at the viewer.

Titian's most haunting composition is here. "The Tribute Money," painted in 1516, shows Jesus as a bearded young cleric, turning around, with eyes full of understanding and detached compassion, to look at the man who has just tried to trip him up with an impossible question. The provocateur's face, tilted to one side, is puckered in a thin evil smile.

If a major museum's hallmark is to show a great master for what he really is, then the Gemälde Galerie does it for Jacob van Ruisdael. The nephew of Salomon van Ruisdael surpassed his predecessor with visionary pictures such as "The Hunt," in which a tiny horseman gallops in pursuit of a deer, or "The Jewish Cemetery at Oudekerk," even more intensely dramatic, although no action takes place. The ruined arches of a Gothic church (the Oudekerk) emerge out of the dark on a hillside. A white stone tomb is lighted by a ray of stormy light, revealing its Hebrew calligraphy, as is the silvery bark of a dead tree that bends over it.

As time goes on, museums that are less impressive, at first glance, will also come to be seen as indispensable stops on the art lover's lists of required viewing. Remarkable Primitives such as the Master of Argonauts that do not have the aura of a famous name are represented in the Berlin museums.

The Národní Museum (National Gallery) in Prague has some astonishing revelations. The largest and most important painting by the 16th-century Flemish artist Mabuse happens to be there, but also, and more unexpectedly, superb works by Italian and French painters of the 18th century. It has the largest collection of Bohemian Primitives of the 14th century. This opens up a world in itself.



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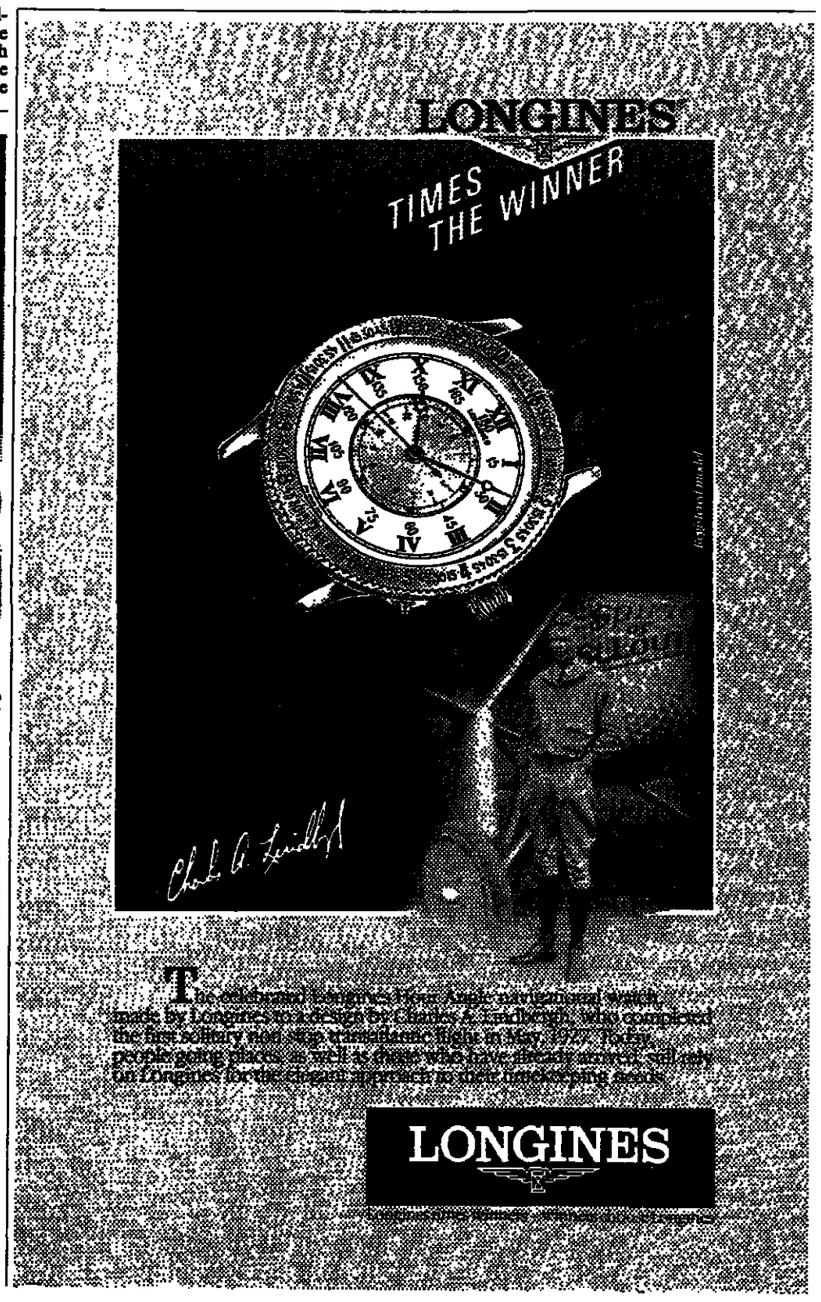

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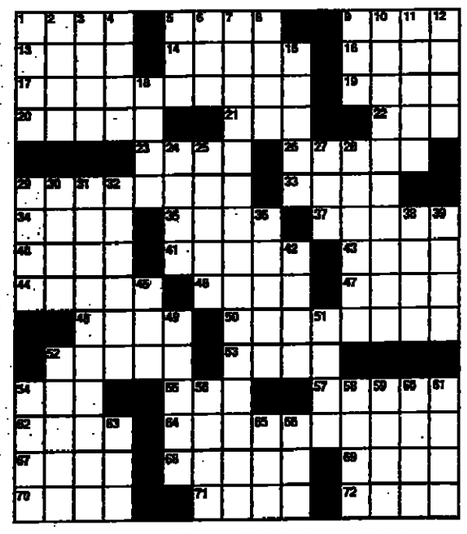
9 Competent
13 Soft drink
14 Scale
16 —— end to end
17 Horror story
19 Diet food
20 Wear out
21 Take before Wagner
22 Bosom companion
23 Opera feature
26 Titles of respect for French clerics
29 Dweller
33 Range players
34 Killer whales
36 Of lyrical poetry
37 Roll-tops, e.g.
40 Eastern V.I.P.
41 Rope material
43 Book by J. C. Oates
44 Kind of drip
46 Certain hairdo
47 Easy, swinging gait
48 The seven ——
50 As American as ——
52 Sea anemone
53 —— Nostra
54 In favor of
55 Dine
57 "The —— Menagerie": Williams
62 Muddy the waters
64 Tonsorial parlors?
67 Caen's river
68 Germ cell
69 E.r.a. or r.b.i.
70 Kind of cycle or ton
71 Uppity one
72 Earl Anthony's targets

DOWN

1 Charley horse
2 Sound after a touchdown
3 Muse of history
4 Adamant
5 U.S. agricultural agcy.
6 Pasha or Baba
7 Uneasiness
8 Ratite bird
9 Priestly robe
10 Kind of quartet
11 Fibbers
12 Actress —— May Oliver
15 Staff of life
18 Peruse
24 Vintage cars
25 Where Kipling was born
27 Bunk
28 Bailey of comics
29 White-flecked horse
30 Writer Bombeck
31 Eliminating from a text
32 Jerusalem's milieu
35 Fruit: Comb. form
38 Military cap
39 "Peter Pan" pirate
42 Truncates
45 Minstrel's ballad
49 Gramp's glasses
51 Como, to Carlo or Carlos
52 Perley of journalistic fame
54 Out of
56 Swiss sight
58 Speech problem
59 Opponent
60 The Man of baseball
61 Fast planes
63 Greensward
65 Golf-club V.I.P.
66 Gen. Stuart of the C.S.A.



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Solution to Friday's Puzzle

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Herald INTERNATIONAL Tribune.
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Baghdad's Grievances

Iraq's brutal invasion and pillage of Kuwait cannot be justified. Its violation of several Western embassies in Kuwait last week is inexcusable. But for the sake of any possible negotiated settlement, it is important at least to understand Iraq's grievances. If Saddam Hussein were disposed to solve problems peacefully, here are the arguments he might raise — and their answers.

When the British created Iraq out of the remnants of the Ottoman Empire after World War I, they drew the borders of Kuwait so as to deny Iraq a major port and prevent it from challenging Britain's control of the Gulf. Iraq claims a northern strip of Kuwait, which was part of the Ottoman province of Basra. Why should modern Iraq be bound by a line drawn in 1922?

Iraq may not like the way others drew its borders, but war is not the way to settle border disputes. In any case, Iraq has grabbed not just the disputed northern strip of Kuwait, but all of it.

Saudi Arabia and the Gulf states own a disproportionate share of the Arabs' oil wealth. These states were created to serve the strategic interests of Western powers. Their oil should benefit all Arabs, not just a few. Why shouldn't Iraq spread the wealth?

Oil may divide Arab states into haves and have-nots, but Iraq belongs firmly with the haves. Saddam Hussein has blown his abundant oil wealth on weapons and a futile war with Iran. His interest in Kuwait's oil is not to share the wealth but to spread his power.

After its eight-year war to protect the Arab world from Iran, Iraq sought to rebuild and to pay off its debts. But Kuwait held down the price of oil through overproduction. Last year, it exceeded its OPEC quota of 1.8 million barrels a day by nearly 40 percent. Some of that oil came from the giant Rumaila oil field, which dips just south of the Iraq-Kuwait border. Why should Iraq, strapped for cash after defending the Arab cause, tolerate rich Kuwait stealing its oil?

Kuwait's overproduction of oil was a tactic designed to pressure the Iraqis to acknowledge Kuwait's right to drill on the Rumaila field. It was a dangerous game, with a disastrous result. But that doesn't justify Iraq's resort to force. There are well-established procedures for resolving rights to fields that cross boundaries, but Iraq spurned negotiation.

Many Americans feel uncomfortable at committing troops for what may seem to be the not-so-noble purpose of defending access to cheap oil and the oil's undemocratic owners. But left unchallenged in Kuwait, Iraq could have intimidated the Saudis, and created havoc with all the world's oil supply, not just America's.

It is no great leap of speculation to think that, with the extra income, Saddam Hussein would have financed more armament and aggression. The countries of the area deserve the American protection they requested, even if Americans do not deem their form of government ideal.

Iraq's few legitimate grievances are far outweighed by its manifold offenses against neighbors, hostages, refugees, and diplomats. The world need have little compunction in treating Saddam Hussein like an outlaw. He is one.

— THE NEW YORK TIMES.

An Opening for Assad

President Hafez Assad of Syria now gets to show whether he deserves his reputation for shrewdness. Before him lies the diplomatic opening of a lifetime. Seizing it could give him the immense double payoff of contributing to a victory over his arch-foe, Saddam Hussein, and a pivotal role in an Arab-Israeli peace settlement that would, among other things, restore the Israeli-annexed Golan Heights. But does he have the strategic vision, diplomatic touch and commitment to his nation's real welfare that would let him carry off the prize?

Before the Gulf crisis, President Assad was in deep trouble. A new Soviet leadership, retreating from the old imperial ramparts, had cut the ground out from under his effort to gain "strategic balance" with Israel in order to command the one-sided Palestinian-Israeli solution of his choice. His Iraqi rival had gotten much the better of Iran in an eight-year war in which he had invested heavily on the losing side. He faced the humiliation of being unable to work his will even in tiny neighboring Lebanon. The West tended to dismiss him as just one more Third World tyrant, terrorist and torturer — and overreacher.

With the Gulf crisis, Mr. Assad moved quickly to help contain the Iraqi invasion — easy enough for anyone who hates Saddam Hussein. In so doing, he was able to join a broader Arab fraternity that he had earlier reviled. And in the most far-reaching crisis reorientation of the region, he aligned himself tactically with not just one but two of the great powers. This is the shift that Secretary of State James Baker went to Damascus to cultivate on Friday.

The Syrians have their part to play and their interest in playing it in the Gulf. But there is no chance that Moscow is going to return to subsidizing Syrian fantasies of regional hegemony, and there is no chance that Washington is going to hand Damascus its preferred Palestinian-Israeli solution on a platter. If Syria is serious about reaping real gains from this crisis, President Assad is going to have to be more humane and open in his methods and more modest and realistic in his goals. If this is too large a result to expect from a single meeting with an American official, it is not too large a prospect to keep before Hafez Assad's eyes.

— THE WASHINGTON POST

Darkening Horizons

It is not just Iraq and oil that are pushing up the American inflation rate. They account for much, but by no means all, of the dismayingly high Producer Price Index that the government reported Friday. Even with energy factors discounted, the numbers were too high for comfort. Foodstuffs suddenly got more expensive, and that had nothing to do with the Middle East.

The odds are now rising that the United States is going into a recession. One standard remedy is to loosen monetary policy and bring interest rates down. But in the present circumstances the Federal Reserve Board cannot afford to do much of that. If it begins to move aggressively in that direction, investors will immediately take it to be a signal that the government is prepared to tolerate much higher inflation. They will respond by bidding interest rates up, not down, to protect themselves from the depreciation of their dollars.

There is another constraint on the Federal Reserve. While interest rates at home look high to Americans, they are among the lowest in the world. Both the Japanese and the West Germans have been raising theirs to rein in rapid expansion. Investment money tends to follow the high rates, and as it leaves the United States, the dollar's exchange rate drops. The dollar has fallen more than enough in recent weeks, for a low dollar aggravates inflation by making imports cost more.

American policy is trapped in a familiar state of paralysis, and it cannot be blamed on Saddam Hussein. The fault lies with the anti-tax populism of the 1980s, and with the politicians, led by the last president and the present one, who encouraged it. After having been on a plateau for several years, the federal budget deficit is rising again, rapidly, and next year's will be tremendous.

Half a dozen years ago, when the economy was growing strongly and inflation was lower, strategists began to warn the Reagan administration that it was time to begin getting deficits and interest rates back down. Neither that administration nor, until this year, its successor paid any attention. They squandered their opportunities when it would have been easy, relatively painless and safe to regain control of deficits and inflation. Now President George Bush and the congressional leadership are condemned to struggle with them in an increasingly bleak and unpromising atmosphere.

— THE WASHINGTON POST

Other Comment

Policeman on a Rough Beat

Unless what has been going on in the Gulf can somehow escape the definition of international dispute, it would be unconstitutional for Japan to send troops or warships to help preserve the oilfields from Saddam Hussein. But Japanese with a world view understand that they cannot hide forever behind Article 9 [of the Japanese constitution]. They cannot expect the United States to remain the dependable, uncomplaining global policeman.

Americans, though they dictated Japan's Constitution, have every right to be peeved that Tokyo should now consider itself free from the obligation to pull its weight. Japanese have a finer grasp than most of what is at stake in a smoothly running global economy: an orderly environment for the transfer of energy and raw materials, markets for products, repatriation of profits from foreign investments, stable exchange rates, tourism and communications. If Japan will not send frigates and helicopters to safeguard precious economic freedoms, it should pay, and pay through the nose.

— Asiaweek (Hong Kong).

Like the skillful director eager to keep the audience's attention in a play in which he has the lead role, Saddam Hussein keeps raising the stakes in the Gulf crisis. The Iraqi Army's violation of the residence of the French ambassador in Kuwait, the ransacking of the diplomatic enclave and the abduction of three Frenchmen there mark a new phase in this cynical escalation. France thus finds itself a bit more a prisoner of the "logic of war" that President Mitterrand has lamented. But one thing is clear: The Iraqi dictator will not damage the exemplary solidarity shown by the international community.

— Le Monde (Paris).

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OPINION

The Helsinki Effect: A Soviet Foot in the Mideast Door

By Amos Perlmutter and Benjamin Frankel

WASHINGTON — The Iraqi annexation of Kuwait has enhanced the U.S.-Soviet cooperation that began at Malta last year.

President George Bush apparently was able at the Helsinki summit meeting to ensure that the Soviets, Iraq's mentor for three decades, will not obstruct an American use of force to resolve the crisis if other options fail. Of potentially greater significance was the U.S. reversal of a decade-old insistence on excluding the Soviet Union from efforts to solve the many conflicts in the Middle East.

But Mr. Bush failed to drive a decisive wedge between the Soviet Union and Iraq, and he has failed to secure Soviet military and intelligence cooperation in resolving the immediate crisis, raising doubts about the true nature of this new superpower understanding.

Direct Soviet participation in a U.S.-led military effort to dislodge Iraq from Kuwait was never really an option. The "new thinking" in Soviet foreign policy precludes, for now, active Soviet military involvement away from Soviet borders.

A more realistic expectation was that Mr. Gorbachev would agree to withdraw Soviet military advisers from Iraq. Mr. Gorbachev, referring to "between 150 to 200 Soviet experts" (the real number is probably far higher), refused, saying they would come home when their contracts expired. He also refused the symbolic gesture of contributing Soviet ships to help the UN-mandated blockade of Iraq.

The most important contribution the Soviet Union could make, however, concerns human intelligence, not hardware or troops. The United States needs information about the Iraqi military that satellites cannot provide: How many units are battle-hardened? How high is troop morale? How loyal to Saddam Hussein is the officer corps after years of sweeping purges? How well does the Iraqi military use its sophisticated, Soviet-made weapons?

Iraq has been a Soviet ally since 1958; Soviet involvement deepened in 1968, when the Ba'ath party came to power. The Soviets assumed a direct role in building and training the Iraqi military and intelligence services. Soviet advisers were present throughout the military, down to the battalion level. More Soviet personnel worked at the Soviet Embassy in Baghdad than in any other Soviet delegation in the Middle East except for Egypt. When Soviet advisers were expelled from Egypt in 1973, Baghdad became the center of Soviet activities in the Gulf and eastern Middle East.

The Soviets achieved deep penetration of the military elite, Ba'ath party circles and other leading institutions. When the Iran-Iraq war broke out, Iraqi dependence for arms, parts and general aid from the Soviet Union grew, allowing the Soviets to gain increasingly complete and accurate information about the Iraqi military.

The prospect of superpower cooperation in the region could be a turning point — or a chimera.

Knowledge of the military and its mood is essential for promoting clandestine activity aimed at replacing Saddam Hussein, should the United States choose that alternative.

Students of the land war between Iran and Iraq believe that the cohesion of the Iraqi officer corps and its loyalty to Saddam Hussein are not nearly as high as has been reported. Furthermore, only 12 to 14 of Iraq's armored and infantry divisions had real battle experience during the war, and its air force had no real combat experience. The waves of purges Saddam Hussein conducted within the military have eliminated some of his most experienced officers, and created fear and resentment among others.

The Kremlin is in a position to confirm such observations and to provide reliable information concerning opposition to Saddam Hussein.

Why should the Soviets cooperate? Mr. Gorbachev has testily asserted that the Soviet Union is not a minor partner of the United States and cannot be bought for dollars. This does not mean, however, that the offering of economic aid would not dispose the Kremlin to be more cooperative.

East Germany was not for sale, but Mr. Gorbachev's willingness to abstain from obstructing German reunification was rewarded by Bonn's offer of 15 billion Deutsche marks ($9.5 billion) in aid to the Soviet Union. Similarly, Mr. Gorbachev's readiness to negotiate with Japan over the Kuril Islands is likely to be rewarded with Japanese generosity.

On its face, the prospect of superpower cooperation in the Middle East appears to be a major turning point in international politics. But Mr. Bush's failure to enlist a more vigorous Soviet contribution in resolving the immediate crisis suggests that there is less here than meets the eye.

There are three reasons for the disappointing Soviet response.

The first is that the end of the Cold War does not mean an end to U.S.-Soviet global competition. American and Soviet interests do not and will not coincide in every instance. The Soviet Union is not anxious to see Saddam Hussein replaced by a pro-Western Iraqi leader.

The United States views Saddam Hussein and his military machine as the core of the problem. The Soviets, however, are merely uncomfortable with Saddam Hussein for the same reasons they are uncomfortable with Colonel Moammar Gadhafi of Libya: They do not like leaders who are unpredictable.

As a power with global reach, the Soviets are unwilling to abandon strategic positions or useful clients in order to satisfy the opposing power. The superpower cooperation that began in Malta has not diminished the competition for power and prestige. It is a chimera to believe that the Soviet Union will ever be a partner to the United States in the Middle East the way the NATO allies have been America's partners in Europe.

The second reason for Mr. Gorbachev's reluctance to provide intelligence raises questions about his control of the military and the KGB. Both have complained bitterly about the Soviet Union being left "naked" as a result of events in Germany and Eastern Europe, and both are now doubly reluctant to allow similar developments in the Gulf. The present nature of the Soviet system, moreover, makes it impossible for Mr. Gorbachev to deliver on certain things, whether he wants to or not.

The last reason the new superpower cooperation may yield less than the White House hopes is the Soviets' own "new thinking." Beset by mounting domestic problems, the Soviet Union is not in a position to assume new responsibilities and shoulder new commitments.

In fact, it is difficult to see precisely what an active Soviet contribution to regional conflict resolution might be. It is in no position to offer economic incentives, and it is unlikely to send troops anywhere, not even as part of a peace-keeping force. Its contribution may be limited to what it has done so far with regard to the Gulf crisis: that is, merely allowing more scope for the United States to exercise its own power and influence.

Mr. Perlmutter is a professor of political science at American University. Mr. Frankel is the editor of Security Studies and Arms Control. They contributed this comment to The Washington Post.

The 'Secret' And a Sort Of Linkage

By Stephen S. Rosenfeld

WASHINGTON — The "secret" that the mischievous Mikhail Gorbachev revealed at the Helsinki summit meeting was the well-known fact that for years the United States had tried to fence the Soviet Union out of the Middle East. Now George Bush confirms that Moscow is in and formally commits the United States not only to deepen superpower cooperation in the Gulf but to work together "to resolve all remaining conflicts in the Middle East." This consummates a major turn, and Mr. Gorbachev is justly pleased with it.

But is it not also something worthy of more universal celebration, something promising not just a unilateral Soviet gain but advantage all around, especially in the Arab-Israeli dispute? This is precisely the prospect held out by Mr. Gorbachev's "new thinking" on the Middle East, where for years the superpowers have taken divergent and competitive tacks.

Part of the answer will come as the Gulf crisis unfolds. Mr. Gorbachev's commitment to end it on United Nations terms through a political process is no less important to his prestige and future policy than Mr. Bush's commitment to make sure, as he told Congress, that "Saddam Hussein will fail." The one leader has invested in a method, the other in an outcome: This is the silent tension under the dazzling surface of their accord.

But scarcely had the summit meeting ended when former Prime Minister Yitzhak Rabin of Israel went to the quick. In Washington to address the American Jewish Congress, he suggested that Mr. Bush, notwithstanding his explicit disavowal of direct linkage of the Gulf to the Arab-Israeli conflict, was now contemplating, with the Kremlin, "phased linkage." And this, thundered Mr. Rabin, would reward aggression; it would lead to a big international conference, favored by the Soviets, at which Israel would be pressed for withdrawal under UN Resolution 242, which does not distinguish between territory acquired by aggression (Kuwait) and territory acquired in reaction to aggression (the West Bank).

Mr. Rabin and others for whom any hint of linkage is poison are right to suspect that the Bush administration connects the Gulf and the Palestinian question. Indeed, Mr. Gorbachev spoke for many Americans when he said that stalemate on the latter "bears on the acuteness" of the Gulf crisis. Demonstrably, Saddam Hussein is a hero in large swaths of the Arab world by virtue of painting himself, however improbably, as the Palestinians' champion.

Aaron Miller of the State Department presented a policy planner's view to the same conference addressed by Mr. Rabin. He said that reviving the American-sponsored Israeli-Palestinian peace process — which Israel had backed out of even before the Palestinians' hailing of Saddam Hussein — was even more necessary now as an alternative to the Iraqi dictator's way of intimidation and brute force. Operationally, he said, there could be no linkage; "analytically," it could not be denied.

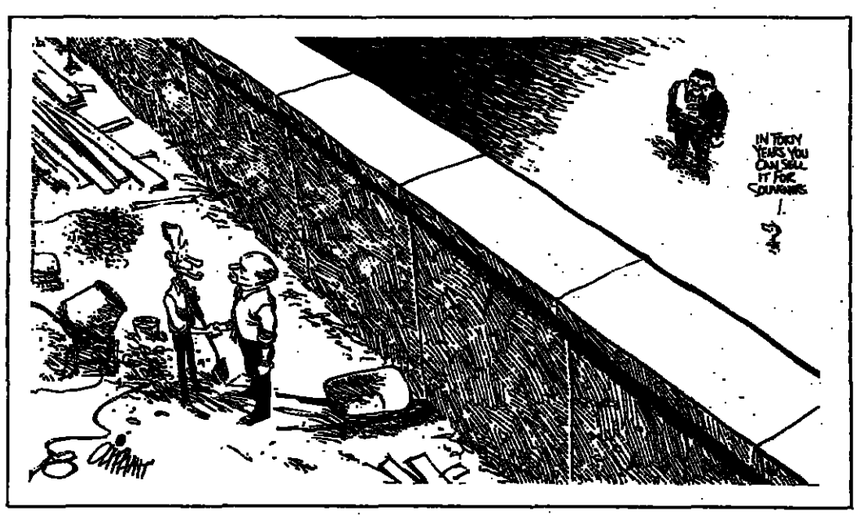
An echo could be heard a few days later from a Soviet diplomat who observed that "dialectically" a linkage was evident. A logic runs, he offered, from the welcome Mr. Bush now gives Moscow as a partner in a Middle East regional security structure, to eventual joint Soviet-American engagement in the Arab-Israeli issue.

The American and Soviet diplomats are thinking, if not in unison, then in parallel. I find what they say persuasive. On the American side, an interest in Palestinians is not the misguided obsession that Israeli regulars say it is. It is a key to regional stability, an essential condition to calming the political inflammation that most threatens Israel, regardless of Saddam Hussein.

Certainly the latest double shock of Iraqi aggression and fervent Palestinian support for it compels understanding for the Israelis' misgivings; they fear being hustled into a bad deal by a U.S. administration bent on accommodating Mr. Gorbachev on the one hand and competing for Palestinian favor with Saddam Hussein on the other. The right response is a patient, purposeful American diplomacy that recognizes Israeli anxieties but is not paralyzed by them.

In such an enterprise, a Kremlin that is proving its regional credentials in the Gulf could be a useful partner. The Soviet Union, after all, has already moved far from its former rote backing of an unreconstructed PLO. It has moved into a complex pattern of relations with Israel, including moderating Syria, now resisting Iraq and meanwhile providing something more treasured by Israelis than all of their American aid — immigrant Jews. Americans and Israelis would be foolish to ignore the possibilities that open from Mr. Gorbachev's "secret."

The Washington Post.



Cambodian Signposts

By James Pringle

JAKARTA — The Cambodian officer was very polite as he flagged down the car carrying a group of foreign correspondents. He saluted smartly and addressed us in French as his troops sat nearby in battered old buses. It seemed he had lost half his battalion and he wondered whether we had seen it. We recalled passing several buses sitting at a crossroads, uncertain which way to go, as we drove out of Phnom Penh. He thanked us, saluted again, and set off.

That was in 1970. The war had just begun. It spread from Vietnam when President Richard Nixon sent U.S. forces across the border to search for Vietnamese Communist sanctuaries inside Cambodia. Yet there was still a certain innocence about the conflict.

Journalists visiting the front were invited to wine and dine on white linen by officers of the anti-Communist government in Phnom Penh, which had ousted the neutralist ruler, Prince Norodom Sihanouk. Hardly anyone had heard of the Khmer Rouge then.

The "enemy" was the Viet Cong, and a few Cambodian Communists who had gone to Hanoi for training years before.

These thoughts came to mind in Jakarta last week as the warring Cambodian factions, under pressure from external powers, reached tentative agreement on a plan that would give the United Nations a major role in Cambodia, pending elections. But watching the rival leaders smiling and holding hands as they posed before the cameras, there was no feeling, as there should have been, that this was the beginning of the end of a conflict that had cost so many lives and caused so much destruction.

Afterward, Khmer Rouge officials said that now was the time for national reconciliation and that the UN peacekeepers should come quickly to Cambodia to "supervise the departure of the Vietnamese." But Hanoi said that the last of its forces were withdrawn a year ago.

The Khmer Rouge should not be underestimated as a political force. Most of the 10 percent of Cambodian intellectuals who survived the killing fields now seem to give their allegiance to the group, which is still led by the notorious Pol Pot.

An official from one of the two non-Communist Cambodian factions in uneasy coalition with the Khmer Rouge estimates that the Communist group could get up to 30 percent of the vote in UN-supervised elections. He said that those voting for the Khmer Rouge would do so out of fear, respect for their supposed nationalist credentials or as a result of Pol Pot's clever tactics of building grass-roots support in the countryside, where UN influence inevitably will be weak.

The world should get used to the unpalatable fact that the Khmer Rouge are likely to play a part in the future of Cambodia. But the Khmer Rouge know that they can never again take power. A majority of Cambodians would resist them. Vietnam would not accept it. Even China does not want the Khmer Rouge to become dominant again.

On Monday in Bangkok, Cambodian leaders are due to meet for the first time as a "Supreme National Council," hopefully to agree on a cease-fire and on the terms of a UN temporary administration and peace-keeping force for Cambodia. Prince Sihanouk said Wednesday that he would agree to chair the council if invited by all factions. Until his role is assured, the prince has wisely chosen to remain above the fray by staying away from both the Jakarta and the Bangkok meetings.

Despite a mercurial temperament, Sihanouk is the one Cambodian with the legitimacy and international respectability to guide the peace process forward and balance the interests of the rival factions.

Whatever the failings of his rule before 1970, everything since then has been so much worse that Cambodians look back to that period as a golden age. Sihanouk is the leader who could rally the people and protect their tenuous sovereignty.

But peace accords will mean nothing in Cambodia's impoverished towns and villages, and in the festering camps along the Thai border, unless the guns fall silent.

There was precious little talk in Jakarta about a cease-fire. That should be the first order of business when the council meets in Bangkok. Until there is a truce, Cambodians simply will not believe in peace.

The writer, a former correspondent for Reuters and Newsweek in Asia, contributed this comment to the International Herald Tribune.

In Rising Waters, Europe Holds On

By Flora Lewis

PARIS — It is all done but the parades. D-day, "Deutschland-day" in Eurojargon, is Oct. 3. United Germany will elect its first postwar government Dec. 2.

There will be no more occupation rights but certain obligations.

This has been settled without a peace treaty, not for the same reason that none was possible for 45 years; just the opposite.

Before, the four powers that occupied Germany after World War II could not agree on its future.

Now they have agreed among themselves not to bother assembling all the states that declared war on Germany, although the other European states will have a chance to endorse the settlement when the Conference on Security and Cooperation in Europe convenes in November.

In 1975, when the conference's accords were signed in Helsinki, they were intended as a substitute for the unachievable German peace treaty.

Seemingly, the accords ratified partition. But they also provided for *human rights and military rules that* gradually eased Europe's division.

For a number of years after, Helsinki was denounced by American conservatives as a giveaway to Moscow. It worked the other way around.

The new treaties (German-Soviet and German-Polish pacts will be added to the package) also have several anomalies that could have blocked final agreement.

Though all of Germany will be part of NATO, covered by its guarantees from the date of unification, Soviet troops will remain in the eastern part until the end of 1994.

Bonn will pay the cost of maintaining and repatriating them.

Other forces in Germany will not be allowed on eastern territory, or paid. Foreign Minister Hans-Dietrich Genscher of West Germany, the key architect of the settlement, was asked why the unequal treatment.

"They are our friends," he answered in surprise. "We want them to stay."

In the new climate after the Cold War, sticking points can be brushed aside. When governments decide accord is more important than digging in, they reach it and that is that.

Late last November, President François Mitterrand of France was still saying that German reunification was "not on the agenda."

But the ice thawed so fast that the hesitant were carried away in the flood of events. Like the end of all eras, it begins another, uncertain and problematic.

The dilapidation and economic decay of East Germany, supposedly the most successful of Communist states, and the coming cost of rehabilitating it have come as a surprise.

That means the rest of Eastern Europe, without benefit of a rich brother, is in for an even harder time than current pessimists foresee.

The other East Europeans will have neither the expertise nor the solid social-political framework that the former Federal Republic will provide the former Democratic Republic.

Even many in Bonn share the worry that the vacuum will be filled by German enterprise and influence, establishing an unchallengeable power beyond constraint, though it be democratic and nonaggressive.

Germany will emerge so flourishing that it has no reason to push; but its leaders are aware that if too much fear is provoked it could lead to new anti-German coalitions.

The antidote has to be greater effort by others — *in Europe*, the United States and Japan — to join in bringing in the East, so that inevitable dependence is spread.

This is not just a matter of competing with Germany — it is in the interest of all concerned to keep a balance and an open Europe.

There are worrisome signs that the time lag between the European Community's economic and political consolidation and the new Germany's organization will undermine emergence of a larger union.

The issue is not the dominance of the Deutsche mark; it is whether the authorities will operate alone or must listen to partners. Britain in particular should be urged to take the plunge.

This is no time for Americans to carp at the Germans' resistance to using their military. Bonn is not responding as it should to solidarity needs in the Gulf crisis, but manpower should not be its contribution.

It is ironic that the treaty ending World War II for Germany comes when it is so strong; but do not forget the reason for its self-limitations.

Though they come when a cruel new aggressor threatens tragedy in an area of strategic importance, Europe's optimistic perspectives must be safeguarded and supported.

It took a long, dangerous time to reach this watershed. Resolve and statesmanship brought success, and are still needed to assure peace and democracy in Europe.

Good news can come almost as suddenly as bad news. Making it hold and bear fruit requires almost as much care as facing down the foe.

The New York Times.

100, 75 AND 50 YEARS AGO

1890: Alhambra Burns

MADRID — The celebrated Alhambra at Granada caught fire last night [Sept. 16]. Before the flames were extinguished they had entirely destroyed the Arab Palace, the courts of the Albacera and Lions, and the wonderful Mirador de la Reina.

1915: Birth of a Film

LONDON — "The Birth of a Nation," said to be the most ambitious motion-picture spectacle, will be presented at the Scala Theatre. The Servian Relief Fund will receive the proceeds. "The Birth of a Nation," produced under the direction of Mr. D.W. Griffith, deals with the period of reconstruction that followed the American Civil War. The press agent describes it as "an epic of a brave, proud people beaten into the dust and refusing to stay there, a bewildering lavish presentment of ecstasy and pathos, ball-rooms and battlefields, pride and humiliation, and tyranny."

1940: London Resists

LONDON — As a full moon shone down on a still uninvaded Great Britain, the German air force once again reverted last night [Sept. 15] to suicidal mass attacks in yet another vain attempt to burst through that "thin red line" of British fighter planes. Early this morning the bulwarks of civilization were still holding, while 175 shattered hulks of Reich Marshall Hermann Wilhelm Goering's air armada lay burnt and twisted on British soil or at the bottom of the sea. The Air Ministry, announcing the toll of Nazi craft, said 30 of the British defenders were brought down, but the pilots of ten were safe. While the bulk of each great attack was hurled back throughout the day, a few Nazi bombers and accompanying fighters got through to London. Once again they attacked Buckingham Palace, dropping two high explosive bombs, which did not burst, said 16 incendiaries.

— From the New York edition of the New York Herald Tribune.

FROM FOOD PROCESSORS

Herald International Tribune.

BUSINESS/FINANCE

MONDAY, SEPTEMBER 17, 1990

TO WORD PROCESSORS
In Touch with Tomorrow
TOSHIBA

EUROBONDS

Why World Bank Issue Isn't Universally Admired

By Carl Gewirtz
International Herald Tribune

PARIS — Amid all the back-slapping about placing $2 billion of World Bank global bonds in difficult market conditions last week, bankers were privately expressing concern about whether the Bank had been manipulating the market to achieve a modest but not insignificant saving on the cost of the operation.

World Bank officials expressed great satisfaction at having successfully distributed the five-year bonds in market conditions that, while not ideal, validated their conception of the global bond.

Issued simultaneously internationally and in the domestic U.S. and Japanese markets, the paper — as its name indicates — is aimed at mopping up global demand for dollar assets.

Bankers wondered if the institution was, in effect, manipulating the market.

There is not much of that currently, with the dollar weak and falling on foreign-exchange markets and U.S. interest rates barely competitive with rates elsewhere.

But as the World Bank stated when it initiated the concept in mid-1989, the huge U.S. domestic market ensures that there will always be demand for such dollar global bonds, even when the dollar is soft or declining.

And so it was last week. More than half the issue was sold to investors in North America, a little more than a quarter was taken up in Europe and about 15 percent in Asia. By contrast, only a third of the World Bank's first global issue was taken up by investors in North America.

Although the non-U.S. demand in the latest issue was small, it was enough to enable the World Bank to sell a huge amount of paper — the single largest Eurobond and the largest issue in New York from a non-U.S. borrower — at a cost of 31 basis points over the yield on comparably dated U.S. government paper, a tad more than the Bank had hoped it would have to pay.

"It's proof that the structure does work," said Donald Roth, treasurer of the World Bank, who pioneered the concept.

However, the mood among some of the underwriters was not quite as upbeat, as bankers wrestled with how to go about telling one of their biggest clients — the Bank borrowed $11.7 billion on world capital markets in its fiscal year ended in June — that it gives the appearance of having dirty hands. At issue is how the Bank hedges its interest-rate exposure.

OUT OF PRUDENCE, aiming to lock in the lowest possible borrowing cost without engaging in outright speculation, the World Bank has adopted procedures that permit it to delay fixing its absolute cost of funds on its jumbo global bonds. Rather than take the entire amount on its books at the arbitrary issue date, the Bank's interest charge is set on only some of it and deferred on the remainder.

The procedure works this way. In negotiations with underwriters at its 10 A.M. price-setting, the World Bank only establishes the terms at which the paper will be sold to the banking syndicate.

For itself, the World Bank only fixes for the entire amount of the spread it will pay over Treasury rates, in this case 31 basis points.

A portion of each jumbo, $1 billion last week, is taken by the bank at prevailing conditions.

The absolute cost of the remainder is deferred, with the World Bank having the right to fix the cost whenever it chooses within a specific time frame at a spread of 31 basis points. It does this by means of a separate contract with one bank. It requests bids from three banks at 8:30 A.M. and accepts one of these bids at 9:30 A.M.

Thus, starting at 9:30 last Wednesday, a bank operating on behalf of the World Bank began buying $1 billion of five-year Treasury notes that will be used to hedge the interest charge. A later profit on selling this paper can lower the Bank's actual borrowing cost, whereas a loss would raise costs.

What is criticized is the fact that the World Bank is effectively buying $1 billion of Treasury paper in the half-hour preceding the price-fixing of its own issue.

"The market gets bid up," explained a disgruntled banker. "We saw the five-year Treasury price go up, up, up. And as soon as the level was fixed, then it went down, down, down."

Prices in fixed securities markets move inversely to yields. A rise in the price means the yield falls. The suggestion, therefore, is that the Bank is effectively rigging the market to save itself a few basis points on interest costs by driving the price up.

Jessica Einhorn, director of financial operations for the World Bank in Washington, acknowledged that "the price did go up by about 2/32s" prior to last Wednesday's public price-fixing, although "not to the high of the day," and subsequently fell back.

A price move of 2/32s on a five-year instrument changes the

See BONDS, Page 11

CURRENCY RATES

Cross Rates — Sept. 14

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.77	3.334	1.1271	0.3265	0.1571 °	——	5.48 °	1.2655	1.2829 °	1.5175	1.715 °
Brussels	32.39	60.77	20.58	5.9705	2.8583 °	18.264	——	24.7205	0.2350	27.685	32.71 °
Frankfurt	1.5781	2.959	——	0.2907	0.1393 °	0.8853	4.864 °	1.103	1.147 °	1.348	1.591 °
London (a)	1.8955	——	2.501	0.7128	0.3418	2.2118	11.705	2.6402	0.2811	3.2445	3.831
Madrid	99.25	185.885	62.854	18.305	8.671 °	55.74	295.54	75.54	73.57 °	84.78	——
Milan	1,171.40	2,197.10	743.94	222.24	——	661.98	3,488.35	897.45	8.567	1,004.35	11,076
New York (b)	——	1.8928	1.5705	0.3455	1.172.88	1.7702	32.225	1.2978	127.88	1.1648	118.645
Paris	5.382	9.9765	3.3492	——	0.469 °	2.972	15.6529	4.0288	3.844 °	4.515	5.333 °
Tokyo	126.69	238.84	87.89	26.81	9.7197	77.30	4,2883	105.10	——	112.51	1,3874
Toronto	1.1467	2.1284	0.743	0.222	0.997 °	0.6559	3.623 °	0.889	0.0888 °	——	1.182 °
Zurich	1.2362	2.3435	0.8389	0.2477	0.1111 °	0.7355	4.0817 °	——	0.0845 °	1.1731	1.3987 °
1 ECU	1.3940	2.6574	2.8622	4.9888	1,527.66	2.3236	42.3925	1.7223	179.888	1.5175	178.646
1 SDR	1.2837	2.4286	2.1886	7.2339	1,653.31	2.1629	45.8728	1.5795	198.246	1.3898	157.395

Closings in London and Zurich. Rates in other centers. New York closing rates. Toronto rates at 3 p.m.
a: To buy one pound; b: To buy one dollar; °: Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5858.0	Greek drac.	148.95	Mex. peso	2668.00	S. Afr. rand	2.57
Austral. $	1.2092	Hong Kong $	7.788	N. Zealand $	1.4824	Soviet ruble*	0.5692
Austr. schil.	11.93	Indian rupee	17.972	Norw. krone	6.068	Swed. krona	5.755
Brazil cruz.	68.45	Indo. rupiah	1847.00	Phil. peso	24.70	Taiwan $	26.93
Chinese yuan*	4.72	Irish £	0.585	Port. escudo	138.80	Thai baht	25.48
Danish krone	5.982	Israeli shek.	2.2877	Saudi rival	3.7494	Turkish lira	2691.07
Egypt. pound	2.7234	Kuwaiti dinar	n.a.	Sing. $	1.7825	UAE dirham	3.6725
Fin. markka	3.485	Malay. ringg.	2.672	S. Kor. won	716.59	Venez. bolív.	48.87

New York rates unless marked ° (local rate.)

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.8951	1.8942	1.8928	Canadian dollar	1.1686	1.1734	1.1771
Japanese yen	134.88	134.64	134.41	Swiss franc	1.3021	1.3019	1.3014
Deutsche mark	1.5588	1.5564	1.5457				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Sept.14	Sept. 7	Close
DJ Indus.	2,564.11	2,619.55	—2.12 %
DJ Util.	199.29	200.89	—0.84 %
DJ Trans.	889.42	908.28	—2.08 %
S & P 100	301.30	306.80	—1.79 %
S & P 500	316.83	323.40	—2.03 %
S & P Ind	374.80	382.65	—2.11 %
NYSE Cp	174.15	177.51	—1.89 %
Britain			
FTSE 100	2,893.80	2,122.90	—1.37 %
FT 30	1,612.00	1,638.50	—1.62 %
Japan			
Nikkei 225	24,897.	23,962.	+3.90 %
West Germany			
DAX	1,594.07	1,592.92	—0.57 %
Hong Kong			
Hang Seng	3,982.04	3,947.91	+0.46 %
World			
MSCIP	467.86	462.40	+1.17 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	Sept. 14	Sept. 7
Discount rate	7.00	7.00
Federal funds rate	7¾	8 1/16
Prime rate	10.00	10.00
Japan		
Discount	6.00	6.00
Call money	7¼	7⅜
3-month interbank	8 5/16	8 3/16
West Germany		
Lombard	8.00	8.00
Call money	8.05	8.05
3-month interbank	8.40	8.45
Britain		
Bank base rate	15.00	15.00
Call money	14 15/16	15.00
3-month interbank	14 15/16	14 15/16

Gold	Sept. 14	Sept. 7	Close
London p.m. fix $	384.20	384.60	+0.42 %

U.S. Markets Wait and Hope for Mild Recession

By Floyd Norris
New York Times Service

NEW YORK — American consumers, a bastion of strength in years past, reacted to the Middle East crisis by putting away their wallets. Now the question is whether those wallets can be pried open.

According to government figures, retail spending fell in August almost everywhere except at gasoline stations, where sales rose a brisk 6.4 percent. And since the end of August, most financial markets seem to have settled into an uneasy calm.

Stephen S. Roach, an economist at Morgan Stanley & Co., noting signs of weakness in consumer income, asserted that "the spending response we are seeing in the August numbers is a sign of what lies ahead, rather than an aberrational development." He predicted a "pretty big fall."

[The Conference Board, a business group, said in a report for release Monday that higher oil prices would hold down economic growth but the United States would not enter a recession this year or early 1991, The Associated Press reported.

[The board said the economy should grow about 1.5 percent in the current quarter and 2.6 percent in the fourth quarter of this year.]

Share prices have stabilized since the 500-point decline in the Dow Jones industrial average over a six-week period this summer, beginning when oil prices started to rise.

Many investment professionals now are forecasting a recession, but are hoping that it will be mild and do little damage to share prices.

That scenario may not be enough to prompt buying, but it has served to stem selling pressures, and one result has been the sound of silence on trading desks.

Volume at the New York Stock Exchange averaged only 124 million shares per day last week, the lowest for a nonholiday week in two years.

For the first part of the week, the calm was also reflected in prices, but they broke Thursday afternoon and continued down Friday, with the Dow Jones industrial average losing 55.44 points, or 2.1 percent, to 2,564.11 for the week.

A survey of 31 market seers last week, released by Mansfield Chart Service, showed the dichotomy of expectations.

By a 3-1 margin, the forecasters think a U.S. recession has already started, or will do so by the middle of 1991.

But a majority thinks corporate profits will nonetheless rise next year, and another 3-1 margin is in favor of the thesis that "the current weakness and turmoil" presents a buying opportunity.

Alan Greenspan, chairman of the Federal Reserve Board, is again hinting that he will ease credit, if only the politicians will come up with a "credible" budget deal, and much of Wall Street thinks he has the power to halt a recession with lower interest rates.

EC Nears Japan Car Accord

Pact Envisages 5-Year Transition

Agence France-Presse

BRUSSELS — Japan and the EC Commission are now "very close to an agreement" on at least two key aspects of a plan to liberalize Japanese car access to the European Community, sources in Brussels said Sunday.

Officials, meeting in Tokyo last week, broadly agreed that Japanese carmakers would voluntarily limit their sales in Europe until the end of 1997, with "statistical surveillance" to be carried out by Tokyo and Brussels several times a year, the sources said.

Starting next year, the five countries that limit Japanese penetration of their markets — led by France, Italy and Spain — have agreed to progressively dismantle their import quotas, the sources said.

The EC executive wants the national restrictions, which are also in place in Britain through a voluntary accord with Japan, and in Portugal, to be scrapped in time for the start of the single European market on Jan. 1, 1993.

Despite the progress, the sources warned that major obstacles have still to be overcome.

The biggest are how many cars should be admitted to the EC market, and whether cars made at Japanese plants within the Community should be considered Japanese or European.

The Commission says cars from these so-called transplant factories "should be taken into account" in the overall limit, so that they are not used by Japanese car giants as a means of gobbling up the EC market from the inside.

Two options are being envisaged, according to the sources. One of the solutions suggests that transplant production not be calculated on a strictly one-for-one basis with direct imports.

The Commission, for its part, would give transplants a "minimal" share in the overall Japanese quota admitted to the Community, an expert said.

The other solution, favored by Tokyo, would be to give the Japanese the choice as to how to divide up the quota cake: which share should be allotted to direct exports and which should go to transplants.

But this is viewed only as a possible exit in the event of negotiations breaking down, one source said.

World Bank To Lend $24 Billion This Year

Compiled by Our Staff From Dispatches

WASHINGTON — The World Bank expects to provide between $21 and $24 billion in loans and credits to developing countries in its fiscal year which began July 1, the Bank said in its annual report scheduled for release Monday.

Most of the funds — between $16 and $18 billion — are expected to be provided directly by the Bank itself, with the remainder coming from its affiliate agency, the International Development Association.

This compares with $15.2 billion loaned in the last fiscal year by the Bank and about $5.5 billion of credits provided by the IDA.

About 20 percent of the total commitments by institutions last year was to support projects in the severely indebted, middle-income countries in Latin America and 22 in the "low-income, debt-distressed countries of sub-Saharan Africa," the report said.

World Bank lending to developing countries in Asia dropped last year and their economic growth slackened, a senior Bank official told reporters in San Francisco.

Bank lending to developing Asian countries totaled $6.39 billion in fiscal 1990, a drop of $1.4 billion from the previous year, the annual report said.

Despite slower regional growth, "It is still valid to call it the miracle decade for Asia, especially when compared to Latin America and Africa which hardly grew at all," said Attila Karaosmanoglu, World Bank vice president for Asia.

(AFP, Reuters)

From Thomson, Warrior Talk on Japan

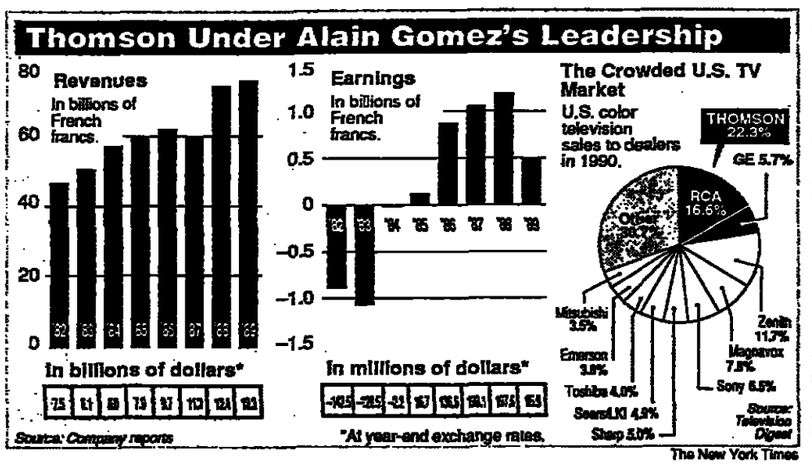
By Steven Greenhouse
New York Times Service

PARIS — Alain Gomez is an unlikely candidate to be the savior of America's consumer-electronics industry.

The chairman of France's giant, state-owned Thomson Group, Mr. Gomez is the grandson of a Spanish anarchist and once helped establish a far-left faction within France's Socialist Party.

Yet after an unusual political and business evolution, this maverick manager, 51, finds himself at the helm of a company that is No. 1 in color television and video recorder sales in the United States.

Thomson acquired the consumer-electronics businesses of General Electric Co. and its RCA subsidiary in 1987, and now Mr. Gomez talks like a warrior about safeguarding the industry in America and Europe from further Japanese encroachment.



The New York Times

"The Japanese are waging a type of industrial war," said Mr. Gomez, whose company is France's leader in both consumer and military electronics. "There comes a time when you have to draw the line, when you have to say we just won't accept the loss of 1 percent more of the market."

A driven, hyperintense man, he contends that the Japanese have not played by the rules and that, as a result, Westerners should not have to, either.

Mr. Gomez's pronouncements command a lot of attention nowadays, because he is one of the brightest stars in a new generation of European business leaders who have revived their tired companies and the continent's economy.

Thomson is one of just a handful of major Western electronics companies — others are Philips NV of the Netherlands and the much smaller Zenith Electronics Corp. in the United States — that have not abandoned the struggle against total Japanese domination in consumer electronics.

But Mr. Gomez's fight has another aim: to save Thomson. He has built Thomson into the world's fourth-largest consumer electronics company, after Matsushita Electrical Industry Co., Philips and Sony Corp., by snatching up the operations of other Western manufacturers that quit the business.

Thomson has made huge strides since 1982, when Mr. Gomez took charge of what was an inward-looking, nearly bankrupt company.

Under Mr. Gomez, Thomson has grown into Europe's second-largest consumer-electronics maker behind Philips and its largest military-electronics company, second in the world behind Hughes Electronics Corp.

The year he took over, Thomson had a loss of $142 million on sales of $7.5 billion; last year, it earned $86 million on sales of $13.3 billion. (Last year's profits were down 59 percent from 1988, because of restructuring costs and a drop in prices.)

As the European Community moves to create a barrier-free market after 1992, Mr. Gomez has helped lead the way in showing how to transform a company that relied on domestic sales into a global giant that ignores national boundaries.

Thomson gets 72 percent of its sales from outside France, and 12,000 of its 100,000 employees are in the United States.

Mr. Gomez often boasts how non-French Thomson has become: the headquarters of its television business is in Indianapolis; it has factories in Singapore; its television research center is in Germany.

At the same time that Mr. Gomez tangles with the Japanese, he also has to keep alert at managing Thomson's $5.6 billion military division. With Europe's arms industry consolidating, Mr. Gomez has worked hard to strengthen Thomson's already formidable position.

In 1985, Thomson-CSF, the company's arms subsidiary, and GTE Corp., its American partner in the project, won the largest-ever Pentagon contract based on non-American technology, a $4.3 billion order to supply the army with battlefield communications.

Thomson-CSF also has a $6.5 billion contract to provide sophisticated equipment to Saudi Arabia.

On a continent where governments are less loath than Washington to meddle in industrial matters, Mr. Gomez likes to make his views known to help sway policymakers. He argues that the West's consumer electronics business must be saved. Without it, he says, the United States and Europe will lose thousands of engineering and factory jobs as well as their semiconductor industry, which relies heavi-

See THOMSON, Page 13

Japan Question Overhangs Dollar

By Carl Gewirtz
International Herald Tribune

PARIS — What the Japanese do at the end of this month, when the fiscal half-year ends for most companies, is the key question overhanging the foreign-exchange markets, analysts say.

The question is important because Japanese profit-taking on foreign assets, to cover domestic losses on stocks and bonds in the first half, has been the driving force pushing the yen up.

"It is clear that part of the yen's strength can be put down to the fact that Japanese institutions, with a view to their mid-year accounts at the end of September, have been repatriating funds from abroad to cover the heavy losses which they have experienced recently in the Japanese stock market," said Mark Cliffe, chief economist for Nomura Research Institute in London.

But he added that the "yen's rally will run out of steam, particularly past the end of this month. The passing of the fiscal mid-year will reduce the pressure to run down foreign securities holdings."

However, looking at different data, a Tokyo-based banker who asked not to be identified took a contrary view and said that the yen will be buoyed by a steady decrease in the investment outflow from Japan.

He based this view on the sharp decline this year in the volume of equity-linked Eurobonds sold by Japanese companies. Last year, Japanese companies raised $59 billion through the sale of such paper. This year, with the fall in Tokyo stock prices and a three-month voluntary suspension of new issues in the spring, only about $13 billion has been raised abroad.

These numbers become significant when looked at in yen terms. Last year, the Japanese raised some 15.4 trillion yen ($112.7 billion) through equity warrant bonds and issues in Euroyen. The biggest single compartment was equity-related Eurobonds, which comprised about three-quarters of the total.

The capital outflow from Japan last year totaled 15.7 trillion yen. The two figures are nearly identical, and the Tokyo banker said he believes that the inflow was financing the outflow.

The relationship of inflow to outflow is not as benign as it might seem. The outflow, passing through the exchange market, weighed down the yen. The inflow, by contrast, did not pass through the foreign-exchange market and thus provided no off-

See DOLLAR, Page 11

U.S. Auto Talks Break Deadline

Compiled by Our Staff From Dispatches

DETROIT — Talks on the terms for a new contract between the United Auto Workers and General Motors Corp. dragged on Sunday, with union sources saying the chances of a strike would rise considerably if no agreement were reached by Monday.

The current contract ended at midnight on Friday, but negotiations were extended past that deadline after indications that both sides were close to a settlement.

Any new pact would cover more than 300,000 employed and laid-off union workers at General Motors.

Strengthening the language on job security, partly by seeking tighter restrictions on plant closings, has been at the top of the union's agenda during the talks, which began in mid-July.

The UAW is hoping any agreement reached at GM will be used as a pattern at Ford Motor Co. and Chrysler Corp.

The union urged GM workers to report to work as scheduled until further notice. But there is the possibility that there could be selected walkouts at GM facilities on Monday if an agreement is not reached. GM was hit by scattered walkouts in 1984 during a two-week period in which about 25 facilities were affected.

Union sources said that as well as the matter of job security, unresolved issues included wages and pensions. Tentative agreements had been reached on a variety of issues, including health, safety and attendance policy.

Meanwhile, thousands of Canadian auto workers went on strike Saturday against Ford Motor Co. of Canada.

The strike would not affect production until Monday, but up to 12,800 workers were expected then to walk off the job.

The Canadian Auto Workers union called the strike, the first against Ford since 1976, after negotiators failed to meet a Friday midnight deadline. *(Reuters, UPI, AP)*

Qintex Chief Returns to Australia

Agence France-Presse

BRISBANE, Australia — The businessman Christopher Skase returned to Australia from Spain on Sunday, five days after a court ordered his arrest for failing to attend a bankruptcy court inquiry.

Mr. Skase, former chairman of the bankrupt Australian communications and property group Qintex Ltd., will attend Monday's hearing into the collapse of shipbuilder Lloyds' Ships Holdings, a Qintex associate, a spokesman said.

Qintex went into receivership in November after making an unsuccessful $1.5 billion takeover bid for the Hollywood film studio MGM/United Artists.

Two warrants for Mr. Skase's arrest were suspended by the Supreme Court on Friday and Brisbane airport security made no attempt to enforce them.

Mr. Skase managed to elude a huge crowd of reporters after he arrived from Hong Kong aboard a Cathay Pacific flight under an assumed name.

Mr. Skase was described as a "foundation witness" into the examination of Lloyds' Ships, which collapsed after building a 32-meter (106-foot) cruiser, the Mirage III, valued at six million Australian dollars ($4.9 million).

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FIDELITY WORLD FUND
Société d'investissement à Capital Variable
33, Boulevard Prince Henri
L-1724 Luxembourg

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of FIDELITY WORLD FUND, a société d'investissement à capital variable organized under the laws of the Grand Duchy of Luxembourg (the "Fund"), will be held at the registered office of the Fund, 33, Boulevard Prince Henri, L-1724 Luxembourg, at 11:00 a.m. on September 25, 1990, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors;
2. Presentation of the Report of the Auditor;
3. Approval of the balance sheet and income statement for the fiscal year ended May 31, 1990;
4. Discharge of the Board of Directors and the Auditor;
5. Ratification of the co-option of Charles T.M. Collis as a Director of the Fund in replacement of John M.S. Pattou.
6. Election of six (6) Directors, specifically the re-election of the following six (6) present Directors: Messrs. Edward C. Johnson 3d, Charles T.M. Collis, Charles A. Fraser, Jean Hamilius, Harry G. A. Seggerman and R. F. van den Hoven, being all of the present Directors except William L. Byrnes who by reason of his retirement does not offer himself for re-election.
7. Election of the Auditor, specifically the election of Coopers & Lybrand, Luxembourg;
8. Declaration of a cash dividend in respect of the fiscal year ended May 31, 1990, and authorisation of the Board of Directors to declare further dividends in respect of fiscal year 1990 if necessary to enable the Fund to qualify for "distributor" status under United Kingdom tax law.
9. Consideration of such other business as may properly come before the meeting.

Approval of the above items of the agenda will require the affirmative vote of a majority of the shares present or represented at the meeting with no minimum number of shares present or represented in order for a quorum to be present.

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: August 28, 1990

BY ORDER OF THE BOARD OF DIRECTORS

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. September 14

Dollar Straights

Issuer	Con	Mat	Price	Yld	Spd Trsy

Governments/ Supranationals

Banks & Finance

Global Corporates

Third World

Dollar Zeros

Floating Rate Notes

Issuer & Mat	Price	Cpn

Deutsche Marks

Dollars

Ecus

Pounds

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MUTUAL FUNDS

Figures as of close of trading Friday, September 14.

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

	Bid	Ask
AAL Mutual:		
CoGr p	10.46	10.98
Inco p	9.43	9.90
MuBd p	9.79	10.28
AARP Invst:		
CoGr	24.77	NL
GlnM	14.96	NL
GlhInc	23.12	NL
HQ Bd	14.62	NL
TxFBd	14.30	NL
TxFSh	15.14	NL
ABT Funds:		
Emrg p	8.45	8.87
Glbin p	8.63	9.06
Secin p	9.29	9.75
Utilin p	11.75	12.34
AHA Bal	9.77	NL
AdmCo p	16.39	16.99
ADITEK	15.77	NL
AFA NAv	9.46	9.93
AFA Tele	13.71	14.39
AIM Funds:		
Chart p	6.75	7.14
Const p	7.46	7.89
CvYld p	9.57	10.05
HiYld p	6.00	6.30
LtdMP p	9.30	9.97
Summit	7.52	NL
Weing p	11.62	12.30
AMA Family:		
ClsBd p	10.15	NL
ClsEq p	20.87	NL
Glbin p	19.33	NL
GlST p	9.94	NL
LtdMP p	9.39	NL
AMEV Funds:		
AstAl p	10.96	11.41
Casiti p	13.73	14.41
CoAp p	19.10	20.06
FdGr p	22.62	23.49
Grwth p	18.62	19.55
HiYld p	6.64	6.95
TF Mn	9.55	9.98
TF Mod	10.71	10.17
US Gvt	9.50	9.95
AcornF	36.79	36.79
AIRture	9.86	NL
Advance American:		
Eqinc	9.47	9.94
TF In p	9.66	10.08
US Gv p	9.15	9.61
Advest Advance:		
Govt p	8.26	8.26
Ghlin p	12.53	12.53
HY Bd p	7.15	7.15
Inco p	10.03	10.03
Spcl p	11.13	11.13
AdvisrCls:		
Eqty	14.11	14.11
AlgerG:		
Alger	13.27	13.27
Alliance Cap:		
Allcon p	8.28	8.59
Balan p	10.48	11.27
Conrad p	6.17	6.53
Conv p	7.92	8.38
Count p	15.66	16.59
Govt p	8.02	8.49
Grinc p	2.39	2.53
HiYld p	4.99	5.28
Intl p	15.65	16.56
IQuit p	12.09	12.66
InsMu	9.34	9.78
Menin p	11.05	11.69
Mortg p	8.52	9.02
MuCA	9.52	9.97
MuNY	8.82	9.28
NtlMu	8.42	8.82
Quasr p	17.28	18.28
ST Mid p	9.93	10.23
ST Mtg †	9.91	9.91
Survy p	9.14	9.47
Tech p	18.14	19.47
AlpinCA	9.85	10.23
Altera Funds:		
Grwth	11.46	NL
Incm †	9.96	NL
Amer AAdvest:		
Balan	10.04	NL
Equity	9.57	NL
Flxin	9.75	NL
Amer Capital:		
CmstK	14.25	15.57
DrBd p	6.37	6.69
EmGro p	14.34	15.21
Entrp p	10.50	11.14
Eqlnc p	3.98	4.22
Exch	77.69	NL
FdMkt p	12.53	13.15
GvSc p	9.89	10.38
Grinc p	9.76	10.34
Hardr p	13.02	13.81
HiYld p	7.75	8.04
MunBd p	18.47	19.39
Pace p	11.30	11.99
TEMY p	10.65	11.18
TxEIn p	10.48	11.21
AEqGEV	11.81	11.23
American Funds:		
A Bal p	10.09	10.71
Amcp p	9.80	10.40
AMutI p	10.49	11.27
Bond p	12.65	13.08
CapIS p	23.59	25.03
CapW p	14.55	15.28
Eupac p	29.38	31.17
FdInv p	12.49	13.11
Govt p	13.31	13.97
Gwth p	18.23	19.34
HI Trr p	12.53	13.12
Inco p	11.39	12.08
IntBd p	13.28	14.08
ICA p	13.91	14.76
NEco p	19.07	20.23
N Per p	10.74	11.40
SmCpW p	14.67	14.93
TxEx p	10.53	11.27
TECA p	14.01	14.71
TEMd p	13.89	14.58
TEVA p	14.22	14.93
Wsh p	12.85	13.68
A Nerthd:		
A Hertfo	unavail	
A Invst	7.26	7.93
A Inv In	5.49	5.78
Asset Mgt Funds:		
Grth	3.93	4.30
Inco	18.67	20.40
Trffiex	13.63	14.74
APT:	8.46	NL
Amwey	6.91	7.39
Analyt	unavail	
Amstme	6.64	NL
Aquila Funds:		
AZ TF	9.68	10.28
CO TF	9.71	10.11
HI TF	10.69	11.14
KY TF	9.90	10.31
MO TF	9.96	10.37
AscPStk	16.17	16.98
Axe Houghton:		
FndB p	3.73	NL
Income p	4.85	NL
Stock p	6.67	NL
BB&K	10.69	NL
BakerGr	15.65	NL
Bascom Group:		
Bond	1.51	NL
Enterp	11.53	NL
Gwth	9.71	NL
Shrdw	2.39	NL
Utlty	8.49	NL
UMB Sp	12.77	NL
UMB B	10.63	NL
Value	11.15	NL
BairdBI p:	14.00	14.68
BairdCo p:	16.30	17.29
BarenA r:	11.76	11.76
Bartlett Funds:		
BasVl	11.02	11.07
Fixed	9.41	NL
VI Intl	8.87	NL
Bascom:	19.11	20.11
Bear Hill:	27.33	NL
BellAtlBd	9.92	NL
BellAtlEq	9.52	NL
Benham Capital:		
CalHL	10.55	NL
CalIn	9.87	NL
CalMt	8.57	NL
CalTF	10.15	NL
GNMA	9.89	NL
GoldIn	10.16	NL
NITFI	10.02	NL
NITFL	10.02	NL
Tr1990	99.01	NL
Tr1995	66.51	NL
Tr2000	42.75	NL
Tr2005	27.44	NL
Tr2010	18.83	NL
Tr2015	13.48	NL
T Note	9.98	NL
Berger Group:		
100	7.16	7.16
Info	6.29	6.29
Bernstein Fds:		
GvSh	12.59	NL
IntDur	12.53	NL
DivInv	12.55	NL
NYMu	12.58	NL
BlomPr p	6.52	6.52
BlnSGr p	9.46	9.46
Boston Co:		
CpAp p	23.14	NL
Intl	11.86	NL
InvGv p	11.71	NL
MgdI p	10.47	NL
SpGth p	16.93	NL
Brndywn	16.92	16.92
Bruce	unavail	
Bull & Bear Ge:		
GoGr p	7.89	NL
Incm p	10.91	NL
FNCI p	17.86	NL
Gold p	13.62	NL
HiYld p	8.37	NL
Spec p	14.90	NL
TaFr p	10.72	NL
USGv p	13.51	NL
Burnhm	19.66	20.72
C&M Funds:		
CapDv	27.84	NL
Mutl	21.16	NL
CJL Trst	9.56	10.01
Calmos †	10.02	NL
CalMun p	8.65	8.65
CalTrst	11.32	NL
CalUS	9.38	NL
Calvert Group:		
Ariel	22.44	23.50
ArielA	13.72	14.37
CapAll p	19.74	20.67
CtyLtd	14.52	14.52
Inco	15.68	16.42
Social p	26.81	27.24
SocBd	15.48	16.13
SocEq	16.11	16.87
TxFLt	10.84	10.84
TxFSht	15.12	15.82
US Gov	14.56	13.25
WshA p	12.22	12.80
Capstone Group:		
EmGrd	6.73	7.28
FdSW	12.69	13.32
Incom	4.72	4.96
MedRs	15.21	15.97
PSHG	9.77	10.26
Trend	12.49	13.11
CarlCo	unavail	
Carnegy Capitalo:		
EmGr p	8.24	9.63
Grow p	15.24	16.96
TxFree p	10.77	11.98
Carnegie Funds:		
Govt p	9.05	9.48
TEOthG	8.99	9.41
TENHI	9.48	9.93
Carsn	9.61	10.51
CrdnGv	8.74	9.18
Cnt Stk	16.52	NL
ChpHY p	18.75	11.29
Chestnt	88.57	NL
CIGNA Funds:		
Agrsv p	12.63	12.24
GvSc p	9.87	10.33
Grth p	12.82	13.49
HiYld p	8.06	8.42
Incom p	7.77	7.65
MunB p	7.62	8.02
Util p	11.76	12.38
Value p	14.30	15.05
Citibank (RA-Cit):		
Balanc	2.15	NL
Equit †	2.30	NL
Income †	2.00	NL
SPrTr †	1.70	NL
Clipper	37.47	37.47
Colonial Funds:		
AGold p	18.68	19.82
CalTE p	6.98	7.24
Classic p	41.96	42.88
CCslI p	41.02	41.86
Dvsdin	6.75	7.16
Fund p	18.30	19.48
GovSec p	10.33	10.80
Gwth p	18.61	11.26
HiYld p	5.47	5.74
Incom p	5.97	6.27
IncPls	8.42	8.93
IntEq p	14.68	17.76
MATx	6.99	7.34
MI TE	6.41	6.73
MITxE	7.53	7.91
NY TE	6.55	6.88
OhTE	6.75	7.09
Smlin p	11.18	11.96
TxEx p	7.55	7.93
US Eq p	15.55	14.50
Comstock Partners:		
CmRet	10.27	10.27
FdSec †	9.79	9.79
Gwth †	10.32	10.32
ETMun p	10.36	11.68
FLMu p	13.59	14.14
Gnma p	14.07	14.73
MDMu p	11.70	12.25
MiMu p	12.38	12.94
NYMu p	12.78	13.38
OHMu p	11.49	12.04
PAMu p	13.88	14.51
MuBd p	12.92	13.53
DuoKyIl	6.76	NL
Eaton Vance:		
EVSht	13.64	14.32
GvtOb p	11.11	11.66
Gwth p	6.77	7.11
IncBos p	7.42	7.79
Invest p	6.78	7.12
MunBd	8.95	9.40
NtlMu	11.10	11.65
Spl Eq p	19.95	20.94
TotRt p	8.75	9.19
VS Sc p	10.79	11.33
Equity Mgmt Group:		
CalMn †	9.68	9.68
Eqinc †	10.41	10.41
Hilnc †	7.06	7.06
HiMun †	9.20	9.20
Eclipse	9.32	NL
Emblem Fund:		
EmrEq	8.84	9.21
ImfGv	10.15	10.57
ON Req	7.85	8.18
RelEq	9.71	10.11
SI Fxd	10.01	10.43
EmpBld	14.75	NL
Enterprise Group:		
CapAp †	14.27	17.08
GvSec †	11.70	12.28
Grinc †	12.35	14.02
Gwth †	6.62	6.95
HYBd †	9.79	10.28
IntGrd †	13.14	13.80
PrecM †	12.41	13.03
Equitable Funds:		
GovSec8 †	9.54	9.54
Balan8 †	12.51	12.51
GwthS †	13.38	13.38
TxExB †	9.92	9.92
Equitec Siebel:		
AgGth †	11.49	11.49
HiYld †	7.27	7.27
TaxFr †	13.79	13.79
USGv †	8.95	8.95
EqStrat	30.95	NL
EurEm p	12.44	13.03
Eyerseen Funds:		
Evgrn	10.28	NL
TaxRtn	16.27	NL
ValTm	10.96	NL
LtdMk	15.57	NL
ExcelNid	2.81	2.94
ExchTr p	6.84	7.18
FBL Gfn †	10.74	10.74
FPA Funds:		
Capit	10.81	11.56
Nwinc	9.49	9.94
Parnt	12.29	13.25
Peren	18.74	20.04
Fairmt	12.14	NL
Federated Funds:		
Exch	49.86	NL
FBIF	9.91	NL
FIGT	9.68	NL
FFRT	9.08	NL
GNMA	10.89	NL
FGRO	10.25	NL
FHYT	7.67	NL
FIT	10.21	NL
FIMT	9.86	NL
FSIMT	10.13	NL
FSIGT	9.98	NL
FSBF	13.97	NL
FST	20.28	NL
FGVT	9.00	NL
Fedmnr	12.47	NL
HighY p	4.55	4.89
Inco p	3.64	3.91
NJ TF p	11.48	12.33
NYTF p	12.50	14.50
SecBd	10.38	10.38
TxEx p	9.83	10.56
TotRt p	10.95	11.76
First Trust:		
TFInc p	13.62	14.26
TFIns p	15.79	16.01
USGv p	10.19	10.67
Figg Investment:		
Emrg†	10.01	10.01
Intl† p	12.47	13.06
QuIG p	9.83	10.29
Telin p	9.21	9.64
TRTs p	9.56	10.01
Fidelity Group:		
AATE p	9.66	10.08
AZTE p	9.51	9.93
CpCsh p	30.17	NL
CTTE p	9.71	10.13
FLTE	9.50	9.92
GATE p	9.62	10.04
KYTE p	9.78	10.21
MITE p	10.04	10.48
NCTE p	9.40	9.81
OHTE p	10.38	10.84
PATE p	9.30	9.71
VATE p	9.43	9.84
VATE p	9.63	10.05
Flex Funds:		
Bond p	17.90	NL
Grth p	10.83	NL
Mdtr p	4.99	NL
Fortress Invst:		
GISI r	9.18	9.27
HiQal †	9.47	9.47
MunInt †	10.81	10.11
TP US r	9.40	9.49
Util r	9.59	9.69
44 Wllq	4.84	4.99
44Wall	2.05	2.85
FormBd	9.84	10.32
ForumSl	9.14	9.58
Founders Group:		
Balanc p	9.98	NL
Discv	10.31	NL
Frntr p	16.95	NL
GovSec	9.55	NL
Grwth	8.98	NL
Inco p	7.26	NL
Specl	5.63	NL
Worldw	10.57	NL
Franklin Group:		
AGE	2.35	2.45
AdjMG	9.95	10.26
AL TF	10.49	10.93
AZ TF	10.49	10.93
Calins	10.98	11.44
CalTF	6.86	7.15
CO TF	10.49	10.93
Equity	4.15	4.41
DNTC	13.79	14.36
Equity	4.15	4.41
FedTx	11.14	11.60
FLA TF	10.49	10.93
GlOpl	9.39	9.78
Gold	12.81	12.81
GrwthI	10.28	10.71
HY TF	10.21	10.74
Incom	1.84	1.95
InsTF	11.07	11.53
MaTF	10.53	10.97
MI Tax	10.93	11.39
MNIns	11.26	11.73
MO TF	10.48	10.92
MyTF	10.39	10.82
NY Tax	10.83	11.29
NC TF	10.61	11.05
OhioI	11.10	11.56
ORTF	10.49	10.93
PaTF	9.36	9.75
Option	4.39	4.57
PR TF	10.59	11.03
SI Gov	10.13	10.28
Strtgc	10.12	10.55
SUSTF	10.49	10.93
Fidl Physets:		
Europ p	7.87	10.26
GovSc†	9.12	9.50
GrOp p	13.89	14.50
HiYld p	8.73	9.17
IncGl p	10.94	11.49
ST Bd p	9.76	9.91
SpcSh p	17.54	18.41
Fidelity Spartan:		
CAHY	9.87	NL
Govt	10.22	NL
MunInc	9.72	NL
MY HY	9.89	NL
PAHY	9.87	NL
FiduCap	14.94	14.94
Financial Group:		
Dynam	7.08	NL
USGvt	4.76	NL
Energy	14.09	NL
Europ	11.25	NL
FinSvc	7.94	NL
Gold	8.46	NL
TxFre	14.56	NL
Gold	4.94	NL
HiInSc	22.13	NL
HiYld	6.52	NL
Indust	8.93	NL
Indinc	8.53	NL
Leisur	12.14	NL
PacBas	13.28	NL
Softw	11.66	NL
Tech	12.80	NL
FtAusInc	10.12	10.62
FtAusLtr	10.47	10.73
FstEqu †	11.75	11.75
Fst Investors:		
BICap p	11.37	12.21
Global p	5.12	5.60
Govt p	10.86	11.66
GabelE Funds:		
Asset †	15.56	NL
CapSt	10.64	11.14
Gwth	15.60	NL
Value p	8.15	8.62
Galaxy Funds:		
Bond	9.80	10.29
Equity	10.06	10.53
GatwyGr	10.71	NL
GatwyIn	15.60	NL
GatwyRe	16.35	NL
Gen Electric Invt:		
ElfDiv	11.72	NL
ElfGl	11.59	NL
ElfnIn	10.79	NL
ElfnMu	10.79	NL
ElfnTx	10.83	NL
S&S	22.68	NL
S&S Lg	10.95	NL
GenSec	10.59	11.15
Global Group:		
CoAp p	12.72	NL
Erisa p	31.17	NL
Gintst	12.43	NL
GS Sl Gv	9.97	9.97
Gradison Funds:		
EstGr p	15.82	NL
Gvin p	12.68	12.86
OpGr p	12.12	NL
Grnsog	12.65	NL
GvWsh p	10.84	11.41
Grth Inc	7.46	7.46
Gateman Funds:		
Bond	11.53	NL
ParkA	18.71	19.59
Stock	18.25	NL
HTSEE p	11.08	11.08
HanCola	8.91	9.38
Harbor Funds:		
Growth	10.82	NL
Intl	16.55	NL
CapAp	11.19	NL
Value	11.74	NL
Bond	10.18	NL
Hartwell Fds:		
EGth	15.58	16.34
Gwth	17.43	18.30
FTIE	14.92	15.62
HiYld	8.46	8.86
Leverg	21.17	22.17
Retire	9.90	10.40
Summ	4.01	4.26
Tech	9.95	10.56
TR	8.06	8.53
US Gv	8.70	9.11
Keystone:		
CusB1 †	15.15	15.15
CusB2 †	15.54	15.54
CusB4 †	14.57	14.57
CusK1 †	8.52	8.52
CusK2 †	6.85	6.85
CusS1 †	22.44	22.44
CusS2 †	7.83	7.83
CusS4 †	5.10	5.10
K-1 Inc	10.47	10.47
KPM †	15.81	15.81
TxExTr †	10.54	10.54
TaxF †	7.79	7.79
Keystone America Inc:		
Fd Inv	10.35	10.46
GovSc†	9.86	10.06
GlStk †	11.82	12.06
HiYld †	6.68	6.82
InvGd †	8.47	8.59
Omni †	14.74	15.04
TxFr †	9.85	10.05
WldBd †	9.92	10.12
Kidder Group:		
GvSI	14.23	14.82
KPE †	18.99	19.78
MkfGd	13.92	14.50
Nati	15.34	15.98
NY Ser	14.04	14.62
SoGth †	15.36	16.00
KBGlbl p	10.68	NL
KBIntE p	14.31	NL
Landmark Funds:		
Balanc	9.68	NL
Govinc	10.16	10.16
NYTF p	9.81	9.81
USGov	8.96	8.96
LMH	15.19	15.19
Legg Mason:		
GvInI p	10.01	10.01
InvGr p	9.85	9.85
InvTr p	12.69	12.69
TaRFI p	8.56	8.56
VaTr p	24.88	24.50
Lexington Grp:		
CLdr	11.03	NL
GNMA	7.65	NL
Globl	10.72	NL
Goldfd	3.52	NL
Growth	8.95	NL
Retsch	14.10	NL
TE Bnd	9.88	NL
TchStr	10.36	NL
LibAdG	9.10	9.53
Wrld p	9.54	9.97
GAM Glb	125.90	132.53
GAM Int p	164.79	173.46
GIT Invst:		
EaSoc	15.49	NL
HiYld	10.42	NL
InMax	6.98	NL
InvGr	8.77	NL
GNA †	9.55	9.55
GS CapG	10.46	11.28
GT Global:		
Amer p	12.42	13.04
Bond p	10.92	11.46
Euro p	10.16	10.67
Gvinc p	10.34	10.86
HiInCr p	13.10	13.75
Intl p	8.62	9.05
Japan p	13.91	14.60
Pacif p	11.97	12.57
Wldw p	12.60	13.23
GW Sierra Tr:		
CalBd r	9.86	9.86
GvSec r	9.92	9.92
Grinc r	8.99	8.99
QuolSt	9.45	10.24
US Gvt	9.90	10.50
Ivy Bost:		
GrOp p	9.73	10.16
Hilnc p	9.26	9.67
MassT p	14.59	16.49
Prmin p	12.30	12.62
Ivy Funds:		
Gwth	14.34	NL
Hilncm	7.91	NL
Intl	19.48	NL
JP Gth	13.76	14.76
JP Inco	9.86	9.72
JW Gant	1.72	1.84
Janus Fund:		
Fixinc	8.20	8.20
Fund	13.48	13.48
Twen	15.12	15.43
Ventur	33.77	33.77
JapanFd	12.12	NL
John Hancock:		
Assetall	9.58	10.45
Bond p	14.21	14.88
Globl	16.09	16.85
Growth p	13.61	14.26
Hilnc p	7.85	7.38
HiYld p	8.27	8.66
PcBas p	10.29	10.77
SpcIE p	5.65	5.92
TxEx p	10.48	10.97
USGov p	9.54	9.98
GNMI p	9.85	10.21
Kaufmn r	1.47	NL
Kemper Funds:		
BluChp	10.80	10.47
CapTr †	7.09	7.23
Divinc	6.57	6.88
EnrGv	8.66	8.44
EmrSv	14.39	15.03
GlbInc	10.27	10.75
Gold	7.50	7.85
Grow	9.48	10.06
HiYld	7.46	7.79
Income	7.82	8.17
IntlFd	9.68	10.19
Mun B	9.54	9.99
NYTF	9.59	10.03
Retire	9.80	10.40
Summ	9.11	9.54
Tech	9.95	10.56
Total	8.06	8.53
US Gv	8.78	9.17
Keystone:		
CusB1 †	15.15	15.15
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GlStk †	11.82	12.06
HiYld †	6.68	6.82
InvGd †	8.47	8.59
Omni †	14.74	15.04
TxFr †	9.85	10.05
WldBd †	9.92	10.12
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VaTr p	24.88	24.50
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Goldfd	3.52	NL
Growth	8.95	NL
Retsch	14.10	NL
TE Bnd	9.88	NL
TchStr	10.36	NL
LibAdG	9.10	9.53
Wrld p	9.54	9.97
GAM Glb	125.90	132.53
GAM Int p	164.79	173.46
GIT Invst:		
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GT Global:		
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Bond p	10.92	11.46
Euro p	10.16	10.67
Gvinc p	10.34	10.86
HiInCr p	13.10	13.75
Intl p	8.62	9.05
Japan p	13.91	14.60
Pacif p	11.97	12.57
Wldw p	12.60	13.23
GW Sierra Tr:		
CalBd r	9.86	9.86
GvSec r	9.92	9.92
Grinc r	8.99	8.99
MHYB †	10.02	10.02
MnInB †	7.71	7.71
MuInB †	9.39	9.39
NYMSS †	10.79	10.79
NYMB †	10.74	10.74
PacB Hi	18.55	18.55
PbIdB	9.42	9.42
Prudntl	9.61	9.61
RHM Overs	9.32	9.32
Reliqn Purins	10.45	10.45
Reliqn Purins	10.24	10.24
Reliqn Purins	10.24	10.24
Reed Publ	9.07	9.07
Reed Publ	9.22	9.22
Rapidest Overs	9.70	9.70
Reynolds	14.14	14.14
Rio Tinto-Zinc	9.47	9.47
S&S Fin Pac	9.85	9.85
SAS	9.57	9.57
SAS	9.57	9.57
SAS	9.86	9.86
SCCT	9.78	9.78
Saab Scania	9.16	9.16
Sapa Pet	9.99	9.99
Sapa Pet	10.02	10.02
Sainsburys	9.85	9.85
Samsung	9.84	9.84
Sanwa Fin	9.61	9.61
Sara Lee Corp	9.86	9.86
Scherling AM	9.86	9.86
Seagrams Co	9.17	9.17
Seagram Co	9.44	9.44
Seagram Co	9.45	9.45
Seagram Co	9.45	9.45
Sears Cred Crd	10.74	10.74
Sears Overs	9.97	9.97
Shikoku Elec	9.41	9.41
Skandia Ins	9.79	9.79
SmithKline Be	9.99	9.99
Sony Corp	9.30	9.30
Shand Coord	9.38	9.38
Shand Cred	9.38	9.38
Shand Oil	9.57	9.57
Stand Oil	10.13	10.13
Statoil	9.86	9.86
Statoil	9.86	9.86
Statoil	9.86	9.86
Sterl Drug	9.89	9.89
Sukar Boss	9.74	9.74
Svensk Corp	10.08	10.08
Sumit Mel Int	9.92	9.92
TRW Inc	8.84	8.84
Talk & Lyric	9.78	9.78
Tenneco	11.27	11.27
Tenneco Corp	10.14	10.14
Texaco Cap	10.09	10.09
Textron Intl	10.04	10.04
Thomson B a/wd	9.44	9.44
Tokyo El P	9.96	9.96
Tokyo El P	9.96	9.96
Toshiba Co	10.06	10.06
Total Serv B	9.58

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Australia & New Zealand Banking Group	$200	2002	0.275	100	—	Over 3-month Libor. Variable rate notes, with fallback rates of 0.60 over until 1995 and 0.70 over thereafter. Noncallable. Fees not disclosed. Denominations $10,000. (Merrill Lynch Int'l.)
Bank of Tokyo (Curacao)	$800	2000	¼	100	—	Over 3-month Libor until 1995 and 0.35 over thereafter. Callable at par in 1995. Fees 0.25%. Denominations $50,000. Increased from $700 million. (Bank of Tokyo Capital Markets.)
Hokkaido Takushoku Bank	$200	2000	0.30	100	—	Over 3-month Libor until 1995 and 0.40 over thereafter. Callable at par in 1995. Fees 0.35%. Denominations $250,000. (Yamaichi Int'l Europe.)
Mitsubishi Bank	$800	2000	¼	100	—	Over 3-month Libor until 1995 and 0.35 over thereafter. Callable at par in 1995. Fees 0.30%. Denominations $100,000. (Mitsubishi Finance Int'l.)
Mitsui Taiyo Kobe Asia	$1,200	2000	0.30	100	—	Over 3-month Libor until 1995 and 0.40 over thereafter. Callable at par in 1995. Fees 0.20%. Denominations $100,000. Increased from $1 billion. (Mitsui Taiyo Kobe Int'l.)
Nippon Credit Bank (Curacao) Finance	$500	2000	0.30	100¼	—	Over 3-month Libor until 1995 and 0.40 over thereafter. Callable at par in 1995. Fees 0.30%. Denominations $100,000. Increased from $400 million. (Nippon Credit Int'l.)
Sanwa Bank (Hong Kong)	$500	2000	¼	100	—	Over 3-month Libor until 1995 and 0.35 over thereafter. Callable at par in 1995. Fees 0.30%. Denominations $100,000. (Sanwa Int'l.)
Tokai Bank (Hong Kong)	$300	2000	0.30	100	—	Over 3-month Libor until 1995 and 0.40 over thereafter. Callable at par in 1995. Fees 0.30%. Denominations $10,000. (Credit Suisse First Boston.)
Yasuda Trust Asia Pacific	$150	2000	0.95	101⅜	—	Interest will be 0.95 over 6-month Libor until 1992 and 10% thereafter. Callable at par in 1992. Fees 2%. Denominations $100,000. (Salomon Brothers Int'l.)
Bavaria	DM 100	1995	0.10	—	—	Below 3-month Fibor. Fees and issue price not disclosed. (SBC Deutschland.)
European Investment Bank	DM 300	2000	0.15	100	—	Below 6-month Libor. Callable at par in 1995. Fees 0.20%. (Bayerische Vereinsbank.)
Stora Finansfoervaltning	DM 300	1994	1/16	100.20	—	Over 6-month Libor. Noncallable. Fees 0.20%. (Westdeutsche Landesbank.)
Fixed-Coupons						
Caisse Nationale de Crédit Agricole	$120	1995	zero	70.495	—	Yield after fees 8.91%. Noncallable. Proceeds $83 million. Fees 1⅝%. Denominations $100,000. (Sanwa Int'l.)
Crédit Lyonnais	$90	1995	zero	70.495	—	Yield after fees 8.91%. Noncallable. Proceeds $62 million. Fees 1⅝%. Denominations $100,000. (Sanwa Int'l.)
Interfinance Crédit National	$90	1995	zero	70.495	—	Yield after fees 8.91%. Noncallable. Proceeds $62 million. Fees 1⅝%. Denominations $100,000. (Sanwa Int'l.)
World Bank	$2,000	1995	8⅝	99.54	99.40	Semiannually. Noncallable global bond. Fees 0.25%. (Deutsche Bank Capital Markets.)
Ankara City	DM 150	1995	10¼	100	—	Noncallable. Fees 2%. (DG Bank.)
Belgium	DM 300	1995	9	101⅜	—	Noncallable. Fees 2%. (Westdeutsche Landesbank.)
National Bank of Hungary	DM 200	1995	10	100¼	98.00	Noncallable. Fees 2%. (Deutsche Bank.)
British Telecommunications	£100	1993	13¾	102.555	101.43	Noncallable. Fees 1⅛%. (Credit Suisse First Boston.)
Interfinance Crédit National	FF 800	1991	12¼	100.775	99.68	Noncallable. Fees 1%. Increased from 500 million francs. (Crédit Commercial de France.)
Finland	ECU 250	1995	10¼	101¼	99.00	Noncallable. Fees 1⅞%. (Credit Suisse First Boston.)
Toyota Motor Credit	ECU 75	1994	10⅝	102.175	100.43	Noncallable. Fees 1⅞%. (Banque Paribas Capital Markets.)
Crédit Local de France	C$ 100	1993	11½	101⅜	99.98	Noncallable. Fees 1⅞%. (Bankers Trust Int'l.)
General Electric Capital	C$ 100	1992	11¾	102	100.80	Noncallable. Fees 1⅛%. (Merrill Lynch Int'l.)
IBM Canada	C$ 150	1995	11⅜	100.65	99.00	Noncallable. Fees 1⅞%. (Wood Gundy.)
Shell Canada	C$ 150	1995	11⅝	101.60	99.75	Noncallable. Fees 1⅞%. (Wood Gundy.)
State Bank of South Australia	NZ$ 50	1994	14⅛	101.95	100.33	Noncallable. Fees 1⅞%. (Hambros Bank.)
European Investment Bank	Y 25,000	1997	8	101⅜	—	Noncallable. Fees 1⅞%. (IBJ Int'l.)
Express Train (Series 1)	Y 10,000	1993	7.06	101⅜	—	Noncallable. Redemption amount will be linked to the price of the Japanese government bond futures contract. Fees 1⅞%. (Bank of Tokyo Capital Markets.)
Marubeni Int'l Finance	Y 7,000	1995	8¼	102.175	—	Noncallable. Fees 1⅞%. Denominations 10 million yen. (Yamaichi Int'l Europe.)
Nissan Capital of America	Y 10,000	1993	8½	101⅛	—	Noncallable. Fees 1⅞%. (Daiwa Europe.)
Sharp Int'l Finance	Y 14,000	1995	8¼	102.175	—	Noncallable. Fees 1⅞%. Denominations 10 million yen. (Yamaichi Int'l Europe.)
Toronto-Dominion Bank (Cayman)	Y 2,700	1991	14⅛	101⅛	—	Noncallable. Redemption amount will be linked to the level of the Nikkei 225 stock index. Fees 1⅛%. Denominations 10 million yen. (New Japan Securities Europe.)
Equity-Linked						
Cosmo Oil	$340	1994	4⅞	100	101.00	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at 722 yen per share and at 137.60 yen per dollar. Fees 2¼%. (Nikko Securities Europe.)
Daiwa Kosho Leasing	$180	1994	open	100	102.38	Coupon indicated at 5⅛%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 18. (Daiwa Europe.)
Izumi	$100	1994	5	100	100.50	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,948 yen per share and at 138.35 yen per dollar. Fees 2¼%. (Daiwa Europe.)
Kawasaki Steel	$350	1994	5	100	107.00	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 441 yen per share and at 140.90 yen per dollar. Fees 2¼%. (Nomura Int'l.)
NEC	$350	1994	4⅞	100	103.88	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at 1,697 yen per share and at 138.35 yen per dollar. Fees 2¼%. (Daiwa Europe.)
Nippon Kinsoku	$70	1994	5⅝	100	100.50	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 820 yen per share and at 138.35 yen per dollar. Fees 2¼%. (Nikko Securities Europe.)
Nippon Paint	$150	1994	open	100	103.50	Coupon indicated at 5⅛%. Noncallable. Each $10,000 note with two warrants exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 18. (Nikko Securities Europe.)
Sumitomo Heavy Industries	$340	1994	open	100	103.75	Coupon indicated at 5⅛%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Sept. 17. (Daiwa Europe.)
Uniden	$120	1994	5	100	105.25	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 3,895 yen per share and at 140.90 yen per dollar. Fees 2¼%. (Nomura Int'l.)
Shinso	DM 100	1994	5¼	100	103.00	Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares at 995 yen per share and at 90.72 yen per mark. Fees 2⅛%. (Nomura Bank Deutschland.)

Inflation Worries Hit Bonds

Compiled by Our Staff From Dispatches

NEW YORK — U.S. Treasury bond prices tumbled last week and analysts said the market is likely to remain under pressure because of the troubled U.S. inflation outlook.

But they said that as long-term rates hold steady or rise further, short-term rates may fall on hopes for an easing in Federal Reserve Board credit policies. The result will be a steepening in the so-called U.S. credit market yield curve.

"The curve is going to continue to grind its way to a steeper slope," said Ward McCarthy at Stone & McCarthy Research Associates Inc.

Dealers said prices of the longer issues were eroded by the Middle East crisis, the rising price of oil and rising yields in major foreign bond markets like Japan and West Germany.

Yields on 30-year U.S. Treasury issues climbed above 9 percent again last week, with the benchmark 8¾ percent issue closing at 97 6/32, to yield 9.02. That yield was up from 8.90 percent a week ago.

The yield curve has already steepened sharply since Iraq's move into Kuwait in August. The spread between the two-year note and 30-year bond had widened to 100 basis points on Friday, from 50 at the start of August.

The yield curve is closely followed as an indicator of U.S. credit market sentiment. A steepening yield curve usually signals worries about the outlook for inflation.

Data released on Friday showing that U.S. producer prices climbed by 1.3 percent in August, while retail sales fell 0.6 percent, reinforced perceptions that the economy is weak and that the Federal Reserve could ease its credit stance soon.

U.S. CREDIT MARKETS

Thus, while long-term rates rose, rates on three-month Treasury bills eased to 7.35 percent from 7.37 percent a week earlier, while rates on six-month bills eased to 7.25 percent from 7.33 percent the previous week.

The retail-sales report "suggests some sort of easing by the Fed, but does not offer any comfort on long-term interest rates," analysts at Boston Co. Economic Advisors said in a report released Friday.

"Long-term interest rates are now hostage to the wave of inflation off the oil-inflation shock, high interest rates overseas and the declining dollar," Boston Co. said.

The Fed chairman, Alan Greenspan, said last week the central bank would ease if a credible pact to cut the budget deficit is reached.

Although the dollar fell sharply on Mr. Greenspan's remarks, the bond market remained skeptical, dealers said.

Among other short-term rates, the key federal funds rate eased to 7¾ percent on Friday from 8 1/16 percent a week earlier.

William V. Sullivan Jr., senior vice president at Dean Witter Reynolds Inc. said, however, that the rate fall probably did not reflect any change in Fed policy. Rather, the decline was likely caused by an excessive infusion of reserves by the Fed on Thursday.

Among other Treasury issues last week, the 8¾ percent notes that mature in 2000, closely watched because their yields are compared with those on Japanese and West German issues of similar maturities, fell to 99 8/32 to yield 8.86 percent, compared with 8.78 percent a week ago.

By comparison, the yield on the Japanese 10-year bonds, their longest maturity, climbed to 8.42 percent from 8.25 percent a week ago.

The bond market is likely to remain nervous this week as it looks ahead to the release of U.S. August consumer price data on Tuesday. The data are likely to show a sharp rise in consumer prices in August, reflecting a roughly 50 percent increase in oil prices since Iraq invaded Kuwait. *(NYT, Reuters)*

Futures Boom Faces Slower Growth Patch

Reuters

MONTREUX, Switzerland — The phenomenal growth in futures and options trading seen over the last decade cannot continue at such a rate, Leo Melamed, chairman of the Chicago Mercantile Exchange executive committee, said in an interview here.

Mr. Melamed, who is in Montreux for a conference organized by the Swiss Commodities Futures and Options Association, said no sector of the financial community can escape from the general economic decline experienced around the world.

The Chicago Mercantile Exchange has grown at a rate of roughly 25 percent a year for the last decade and Mr. Melamed said, "I don't expect that to continue."

The futures industry will initially benefit from the uncertainty and turmoil caused by a series of world events, such as the Iraqi invasion of Kuwait.

But Mr. Melamed said futures will inevitably suffer like other financial markets in a general downturn in world economic buoyancy.

However, heads of other futures and options exchanges from the United States, Europe and Asia attending the conference were cheered by the continued growth of their exchanges and in particular by the phenomenal rise in options trading.

Bennett Corn, president of the New York Coffee, Sugar and Cocoa Exchange, said he expects the recent sharp growth in activity in sugar options to continue and it may even surpass the underlying futures contract, currently the busiest on his exchange.

As Mr. Melamed said, "There is no doubt that options have become the most attractive form of financial futures."

He attributed the dramatic rise in options trading to the fact that the potential loss on any deal is limited and to the development of computer software allowing for an array of investment strategies.

Seoul Group Foresees Oil Constraints

Compiled by Our Staff From Dispatches

SEOUL — South Korea's economy will grow by an average of 7 percent to 7.5 percent a year in the next five years if crude oil prices are $25 to $30 a barrel, according to a government think tank.

The influential Korea Development Institute said that if the average oil-import cost was $25, South Korea's annual economic growth would be 7.5 percent during the 1991-1995 period. If the average oil price was $30 a barrel, the growth rate would be trimmed by half a point.

The report also said the South Korean economy is in transition from labor- and capital-intensive industries to technology-intensive ones because of the rapid rise in wages, the won's appreciation and the market opening of the 1980s.

The government's five-year development plan, published earlier this month, also predicted a 7 percent growth rate for the period. Yearly growth fell in 1989 to 6.7 percent, its lowest point for eight years, but Bank of Korea figures for the first quarter of this year showed that growth had bounced back to 10.3 percent.

Meanwhile, government officials announced Sunday that South Korea plans to increase its 1991 supplementary budget and import cement from China and North Korea to deal with the aftermath of last week's floods.

The deputy prime minister, Lee Seung Yun, who is also the chief economic planner, held a meeting with various ministers on Sunday and proposed to expand the supplementary budget for calendar 1991 by between $280 and $420 million to total roughly $4 billion. *(AFP, Reuters)*

How Foreigners Can Profit From U.S. Downturn

By Jonathan Fuerbringer
New York Times Service

NEW YORK — With the U.S. economy slowing down or possibly heading for a recession, and with a steadily weakening dollar, there is little to attract foreign investors to the American stock and bond markets.

From January through May, foreigners were net sellers of $6.7 billion in American stocks and $5.9 billion in government securities, according to data from the Securities Industry Association.

In the midst of this gloom, Michael R. Rosenberg, manager of International Fixed Income Research at Merrill Lynch & Co., has found a bright spot: A bond investment that should be attractive to foreigners, and some Americans, and that makes a profit out of hedging against the falling dollar.

The Japanese investor, for example, would do this: Take yen and buy dollars and then buy a 10-year American bond, which has a yield of around 8.85 percent.

Then, to hedge against the risk of the dollar falling, the investor sells the dollars forward; that is, he sells the dollars now but agrees to deliver them at a set later date, a week, month or maybe longer. This strategy gives the investor a much higher yield than he could get in Japan.

There, a 10-year bond (the longest maturity) is yielding just 7.70 percent, based on the semiannual compound rate used in the United States.

This means the interest rate on the American bond is 114 basis points higher.

In addition, when the investor sells his dollars forward for yen, he will earn a premium of about 30 basis points, because short-term interest rates in Japan are now higher than those in the United States.

This leaves the investor with a bond yielding 9.14 percent, counting the premium for selling dollars forward, or an investment that yields 144 basis points more than he could get in Tokyo.

The nice extra is that the hedge against a decline in the dollar, which would reduce the value of the investment, adds to the profit.

Americans can use this strategy too, even though some foreign bonds have higher yields.

For example, the British 10-year gilt, a government security, yields 11.81 percent, more than the American counterpart. But three-month rates in Britain are 688 basis points higher, giving a net gain of 391 basis points when the investor sells the dollars forward for pounds.

The strategy could, of course, turn into a nightmare. Worries about inflation could depress bond prices in the United States, which would push yields higher.

Mr. Rosenberg has calculated that if interest rates on the 10-year bond rise by 30 basis points, the drop in bond prices would, for example, wipe out the Japanese investor's gain from the 144 basis-point spread.

Then the yield would be the same as if he had left his money in Japan.

But if interest rates on Japanese bonds also rose about the same amount at the same time, the gain would be intact.

For Americans, hedging by buying pounds, yen or Canadian dollars is fine as long as the American dollar continues to decline or is stable. If it rises, then the investors will lose some of their gain when they turn the foreign currency back into dollars.

Mr. Rosenberg is not worried about these problems for now. He thinks that the differential in short-term interest rates will continue to widen. He expects the Federal Reserve Board to ease interest rates because of the threat of recession. And he believes the Bank of Japan will continue to push up rates to counter inflationary pressures.

Hungary Names 20 Firms for Sale

The Associated Press

BUDAPEST — Eager to attract foreign capital and know-how, the Hungarian government has published the names of the first 20 state-owned companies to be fully privatized in a sweeping plan to slash the state's role in the economy.

According to the Saturday edition of the Budapest daily Magyar Hirlap, the State Property Agency, a government body set up to guide the privatizations, announced that the partly privatized travel agent Ibusz, hotel and department store chains, a pharmaceutical company and manufacturing and service companies will be offered to domestic and foreign buyers.

The center-right government, which supports a gradual switch from state-dominated economics to a free market, is currently working on a legal framework for the plan.

Budapest's embryonic bourse has been operating since June and the government has already sold off part of Ibusz and allowed joint ventures with foreign companies.

Lajos Csepi, managing director of the property agency, said the government wanted to reduce Hungary's present 80 percent to 90 percent state ownership to a range of 40 percent to 50 percent within 3 years. The national news agency, MTI, said the government would probably make between 25 and 40 billion forints ($385 to $614 million) from the sales.

As of Dec. 31, 1989, the total equity of the companies to go under the hammer was 33 billion forints. They listed total assets of 73 billion forints, annual sales of 93 billion forints and total gross profits of 6 billion forints, MTI said.

The other companies to be sold are the Centrum department store chain, Danubius Hotel and Spa, Forest Machinery Products, Gamma Works, Hollohazi Porcelain Works, Hungarhotels, Hungexpo trade fair company, Idex, Intergiob, Kner Printing, Kunep, MEH Recycling, Pannonia Hotels, Pannonplast, Pietra Ceramics, the Salgotarjan glass factory, Tritex and Volantefu Transport.

Euromarts At a Glance

Eurobond Yields

	Sept.12	Sept. 5
U.S. $, 8 yrs & over	9.39	9.42
U.S. $, 5 to 7 yrs	9.21	9.26
U.S. $, less than 5 yrs	8.67	8.80
Pounds sterling, less than 5 yrs	13.33	13.41
French francs, less than 5 yrs	10.62	10.59
Ital. lira, less than 5 yrs	12.92	12.95
Danish kroner, less than 5 yrs	11.08	11.02
ECU, 8 yrs & over	10.46	10.52
ECU, 5 to 7 yrs	10.35	10.42
Can. $, less than 5 yrs	12.01	11.99
Aus. $, less than 5 yrs	14.08	14.53
N.Z. $, less than 5 yrs	13.76	13.50
Yen, 5 to 7 yrs	7.98	7.91
Yen, less than 5 yrs	8.07	8.04

Source: Luxembourg Stock Exchange.

Weekly Sales

Sept. 13

Primary Market

	Cedel $	Cedel Nos.	Euroclear $	Euroclear Nos.
Straights	27.30	290.90	888.90	736.30
Convert.	—	—	—	—
FRNs	5.00	—	600.00	72.40
ECP	5,423.60	3,467.70	8,651.20	4,811.10
Total	5,455.30	3,758.60	10,140.10	5,619.80

Secondary Market

	Cedel $	Cedel Nos.	Euroclear $	Euroclear Nos.
Straights	4,585.00	7,240.20	10,941.40	10,317.90
Convert.	119.80	605.40	420.20	636.80
FRNs	2,715.10	9,251.40	3,247.60	2,483.70
ECP	4,056.40	3,200.50	2,344.40	3,946.10
Total	11,476.30	20,297.50	16,953.60	17,404.50

Source: Euroclear, Cedel.

Libor Rates

Sept. 14

	1-month	3-month	6-month
U.S. $	8⅛	8⅛	8⅛
Deutsche mark	8 5/16	8 7/16	8 13/16
Pound sterling	15	14 15/16	14 15/16
French franc	10	10⅛	10½
ECU	9⅞	10	10⅛
Yen	8 7/16	8 7/16	8 11/16

Source: Morgan Guaranty, Lloyds Bank, Reuters.

U.S. Treasury Bonds

Sept. 14

Maturity	Close Bid	Ask	Yield	Wk-ago yield
31.08.92	100 4/32	100 8/32	8.02	8.00
15.08.93	99 15/32	99 17/32	8.24	8.18
30.06.94	100 10/32	100 12/32	8.40	8.35
15.11.95	99 31/32	100 1/32	8.50	8.44
15.07.97	98 23/32	98 25/32	8.75	8.69
15.08.00	99 6/32	99 8/32	8.87	8.79
15.02.06	102 18/32	102 22/32	9.05	8.96
15.08.20	97 6/32	97 8/32	9.02	8.92

Source: Salomon Inc.

U.S. Consumer Rates

Sept. 14

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	N.A.
Money Market Funds	
Donoghue's 7-Day Average	7.47 %
Bank Money Market Accounts	
Bank Rate Monitor Index	5.89 %
Home Mortgage, FHLB average	10.13 %

Source: New York Times Service, UPI.

WALL STREET REVIEW

Figures as of close of trading Friday, September 14.

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
AT&T	76846	31¼	29⅞	30¼	— ⅜
Tandem	75385	14	11⅛	11¾	—1⅜
WalMt s	75120	28½	25¾	26⅛	—1⅝
ToyRU s	72173	24⅝	21⅞	22⅛	— ½
IBM	66451	108⅛	103¾	104⅛	—1⅛
PepsiC s	62871	25⅝	24¼	24⅝	— ⅜
PhilMr	61952	45⅝	44⅜	44⅝	
GenEl	59267	62⅝	59½	59½	—1⅛
Alcan	54806	22¼	21¼	21⅜	
Waste s	54357	38¼	33⅞	34¼	—3⅜
Digital	51249	66	54⅝	56⅞	—8⅝
Exxon	50189	51⅝	50⅜	51⅝	+ ½
PacGE	50022	21⅛	20½	20¾	— ⅛
Citicorp	48308	19	17	17¼	—1⅞
Boeing s	48103	49	45⅞	46⅛	— ⅜
CarBlk	47261	38⅜	30⅞	36⅛	+5¼
EKodak	45303	41⅝	40¼	40¼	— ¼
FdNM s	45250	30¼	28⅛	29⅝	+ ½
GtFSFUt	44079	11½	9½	9⅞	—1⅝
PrimeM	43450	3⅛	1	1⅛	—2
BrwnFr	43438	37½	31	31⅛	—5⅝
SFePCp	42536	15⅝	14½	15½	
GTE s	41338	26½	25	25⅛	— ¼
McDonl	39870	28⅝	26½	26⅞	—1
AmExp	38776	24⅝	22⅝	23⅛	— ⅝

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
SNk [93wt	19196	17¼	15⅝	17	
ENSCO	18154	3⅝	3⅛	3⅛	— ⅛
PW Nk pwt	16022	8⅝	7	8⅝	+ ⅛
Dk Nk wt	14876	18¼	16½	17⅝	
SalPhb n	11479	4⅛	3⅝	4	
Hilhav n	11198	1⅛	1⅜	1½	
EchoBy	10999	13⅛	11⅞	12⅞	— ⅛
SNk [93wt	10979	18⅝	16½	18¼	+ ¼
Corna p	10682	5½	5⅛	5½	
ContAir	10519	5⅛	4⅝	5	+ ⅛
WangB	10351	3⅝	3¼	3⅛	— ¼
FruitL	10342	11⅛	9½	10	—1
RhnP rt	10076	10⅝	9⅛	10½	+ ⅛
EksNk wt	9413	8⅞	7¼	8⅞	+ ⅛
A-att2 sc	9376	7⅛	5⅞	6½	
Amdhl	9001	13⅜	11⅞	12¼	— ⅜
CornCr	8712	18	15⅞	15⅞	—2⅛
BAT un	8353	10⅜	9⅞	10	+ ⅞
Diasonc	6516	2⅞	2¼	2⅜	— ⅜
WDigitl	5885	8⅝	8¼	8⅝	— ½
MorgnF	5859	1⅛	1	1	+ ⅛
Nabors	5454	6⅝	6¼	6⅜	— ⅛
DowC rt	5285	7½	6¾	6⅞	— ⅜
A-att2	5146	25⅞	25¼	25⅝	+ ¼
Alza	5129	45⅛	42⅛	42¾	—1½

NYSE Sales

	Sales Vol.
Total for week	619,400,000
Week ago	462,970,000
Year ago	827,610,000
Two years ago	826,910,000
Jan 1 to date	28,130,799,000
1989 to date	29,982,050,000
1988 to date	30,434,250,000

AMEX Sales

	Sales Vol.
Total for week	49,350,000
Week ago	40,080,000
Year ago	64,850,000
Jan 1 to date	2,481,550,000
1989 to date	2,184,870,000

NYSE Diaries

	This Wk	Last Wk
Advanced	649	948
Declined	1200	870
Unchanged	292	330
Total Issues	2161	2148
New Highs	28	28
New Lows	310	200

AMEX Diaries

	This Wk	Last Wk
Advanced	298	344
Declined	459	388
Unchanged	216	211
Total Issues	973	943
New Highs	5	4
New Lows	102	85

BONDS: *Bankers Concerned Over World Bank Issue*

(Continued from first finance page)

yield by about 1½ basis points. That represents a cash saving for the Bank on the $1 billion for which the rate was fixed, of $150,000 per year.

Ms. Einhorn, who expressed deep concern about criticism of the procedures, noted that "lots of things affect the market" and added that potential buyers of the World Bank issue were also selling government paper as a hedge to lock in their spread.

Bank officials themselves had asked professionals whether buying $1 billion in securities could move the market.

"They were amused by the question. Their view is that the market is so big that $1 billion is not terribly likely to move the price, although it is not inconceivable," Ms. Einhorn said, adding that the Bank staff and their advisers believed the hedging procedure was "technically secure ... and a clean way. But if there is any perception otherwise, we are ready to look at other ways."

She said that the Bank has "absolutely no interest in getting the benefit of 1/32d on the price," and added, "We have an interest in making sure that nobody felt we were tampering with the price on a deal for which we had elicited comment for 24 hours on a spread as little as one basis point."

If the market is concerned about the Bank's hedging procedure, she added, "we are prepared to review it."

At the offering price of 99.54, the five-year notes, carrying a coupon of 8⅝ percent, yielded 8.74 percent on a semi-annual basis.

DOLLAR: *Next Move May Be Up to the Japanese*

(Continued from first finance page)

setting pressure to keep the yen from falling.

That is because the dollars raised through the sale of the Eurobonds were not converted into yen via the foreign-exchange market but via the swap market.

The details of the swaps are vague but not important. Walt Disney Co., to name one example, is a big earner of yen that would want to swap for dollars. Japanese institutions — the biggest purchasers of the ex-warrant bonds and the warrants — would also serve as swap counterparties, providing yen in Tokyo for the dollar assets purchased in the Euromarket.

What is important is that the capital inflow to Japan did not exert upward pressure on the yen, while all of the capital outflow for direct investment had the effect of pushing the yen down.

Given the sharp slowdown in Japanese industry's ability to issue equity-linked Eurobonds, the Tokyo banker believes that the capital outflow will also be slowing and thereby alleviate the downward pressure on the yen.

"I can't see anything on the horizon to help the dollar," said Jim O'Neill, London-based economist for Swiss Bank Corp.

"Frankly, without any change in the economic environment, I could see the dollar at 132 yen and 1.52 Deutsche marks fairly soon." Mr. O'Neill added that if the meeting of the Group of Seven in Washington on Saturday fails to voice any support for the dollar "I could see the rate falling to 120 yen and 1.45 DM."

Paul Chertkow, currency analyst for Citicorp in London, said he expects particular weakness of the dollar against the yen.

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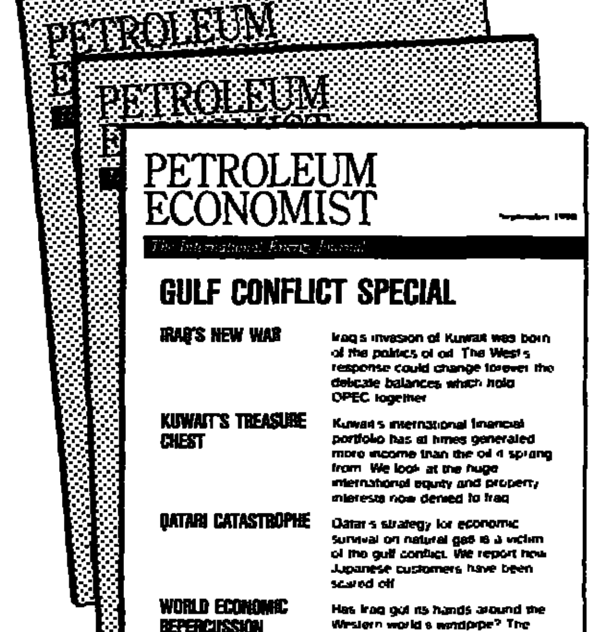

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NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, September 14.

A

			Sales in 100s	High	Low	Close	Net Ch'ge
A&W Bd			9453	29½	22½	23	—6¼
ABS	.32	4.7	43x	7	6½	6⅞	+ ⅜
ACC Cp	.16	2.2	272	7¼	7¼	7¼	+ ¼
ADC			1319	19½	18¼	19⅝	+ ⅝
ADT	t		10068	29¾	29⅛	29⅜	— ⅜
AEL			2745	5⅝	4⅞	5½	+ ⅞
AEP s			148	10½	7½	9	—1
ASK			5605	8⅛	7⅜	7⅜	— ⅝
AST			19234	19⅝	16⅝	18⅞	+1⅝
AamRt	.10	1.2	261	8¾	8	8½	+ ¾
AbingB	.08j		16	3	2¼	2¼	+ ¼
AbeLinc			107	2½	2	2½	
Abrom	.20	5.3	6	3¾	3¾	3¾	— ⅜
AcadIn			416	1	1⅛	1⅛	
Accel	.20b	2.9	72	7⅛	6⅞	6⅞	
Aclaim			3733	8⅝	8	8⅝	+ ⅜
Aceto	.14b	1.2	65	11¾	11	11¾	
ACMT			10	12¼	12¼	12¼	
Acmt a			6	9	9	9	—1
AcmeSt			266	15¼	15	15¼	+ ¼
ActARt			809	3⅞	3⅜	3⅜	— ¼
ActnSv	.16i		382	1¼	¾	1	— ¼
Acxiom			424	18¾	18	18¼	+ ½
AdacLb	.04i		5309	1⅛	¾	⅞	
Adage			508	1⅛	⅞	⅞	
Adapt			1848	14¼	13	13⅝	— ⅜
AdingI s			2066	15½	14	14¾	
AdiaSv	.16	.9	392	18¼	17	17	— ½
AdobeS	.24	.9	26497	28¾	25¾	26⅞	— ⅜
Adtec			127	2⅞	2¾	2¾	
AdvCir s			1960	8⅝	7	7⅛	—1½
AdvRos			141	10¼	9½	9½	
AdvLog			1000	8¾	8	8	— ¼
AdvMag			71	10¼	9½	9½	— ¼
AdMkSv			1331	3¼	2¾	3	
AdvPoly			675	4½	3⅝	3½	— ⅞
AdvSem			235	3¼	3	3	— ½
AdvTel			947	16¾	15½	16	— ¼
Advanta	.13e	1.2	799	11	9⅝	10¾	+1⅛
[illegible]							

			Sales in 100s	High	Low	Close	Net Ch'ge
Biogen			7465	22⅝	20⅝	21¼	— ¾
Biogn pf	2.12	5.7	881	39	36	37¼	—1½
Biomet			10692	32	29½	30	+ ¼
Biosph			41	3	2⅞	3	
BioTInt			112	2¾	2⅝	2¾	+ ⅛
BirdCp			496	11¾	10¾	11½	+ ⅝
BirdMd			1485	6¾	5¾	6	
Birtchr			134	5½	5	5	— ¼
BizMrt			1641	11⅞	10⅞	11½	— ½
BlackI	.30e	3.1	10	9⅝	9⅝	9⅝	— ⅛
BlisLau			15	6	5	5	
BlocDv			4951	6¼	5	6	+ ¼
BlckD	.70b	2.2	123	32⅝	31¾	32½	+ ¼
BRdg un			17	9¼	8½	8½	— ¾
BoatBn	2.12	7.9	4126	27¾	26⅝	26¾	
BobEvn	.26	2.0	2604	14	13⅛	13¼	— ⅝
Bohema	.20b	1.9	1895	11⅛	10½	10½	— ½
BonvIP			2751	5¼	4⅝	5⅛	+ ⅜
BooleB			428	14½	13¾	13⅞	+ ¼
BoonEl			18	3⅛	3⅛	3⅛	
Borind			9604	19	17¾	18⅝	+ ¾
BostAc	.07e	.4	22	19¼	17¾	18¼	—1
BostBc	.60	4.6	356	13½	12⅝	13⅛	+ ⅜
BstnDig			130	2⅝	2⅜	2⅜	— ⅜
BstnFB	.12i		321	2⅞	2⅝	2⅝	— ¼
BostTc s			6033	3⅞	2⅝	3⅜	— ¼
BlvdBc	.48	2.8	314	17	16	17	+1¼
BradyW	.40	1.8	156	24½	22¼	22¼	
Brantre	.36	8.5	12	4½	4¼	4¼	
Braids			6	1⅝	1⅛	1⅛	— ½
Brand s			3121	13⅝	12¼	12⅝	— ¼
Brandn	.24	3.0	21	8	7¾	8	+ ¼
BrntdSv	.15i		130	4⅝	3⅜	3⅜	— ⅝
Brkwt g			1110	1⅛	¾	⅞	— ⅛
Branco	.20	3.3	358x	6½	6⅛	6⅛	+ ⅛
Brendle			15	5¾	5	5¾	+ ⅜
BrdgF s	.20	1.1	72	18½	17½	17¾	— ¾
BriteV			113	5	4⅝	4⅝	— ⅜
Bdcstln s			147	9	7⅞	8⅝	+ ¾
BdwyFn	.48	10.1	157	5	4½	4¾	+ ¼
BrTom			1479	6⅞	5⅝	6⅞	+1¼
Brunos	.18	1.2	10986	15⅝	14⅞	15⅛	+ ⅛
BrynMw	1.52	7.8	196	22	18¾	19⅝	+1⅛
BckyFn			76	8⅞	8⅝	8¾	
Buffet			861	17¼	16¾	17	
BuildT			1228	8¼	7	7¾	
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(Continued on next page)

Oil Industry Facing Outcry on Profits

By Thomas C. Hayes
New York Times Service

NEW YORK — Fearful of a public outcry over the large profits that many oil companies are likely to report for the financial quarter that ends in two weeks, industry executives are trying to find ways to hold down those profits.

Their strategy takes two tacks. One is to hold down the increases in the retail price of gasoline.

That may be news to motorists who have seen gas prices rise an average of 23 cents a gallon since the Iraqi invasion of Kuwait last month, but oil industry executives say a 36 cent-a-gallon increase would have been needed to offset the sharp increase in crude oil prices, which have nearly doubled this summer.

The oil companies' second strategy for reducing profits is to increase the amount of money they set aside, or hold in reserve, for future environmental expenses, for refinery and chemical-plant maintenance programs and for potential legal claims. Such a step is commonplace in the industry and conforms with accounting standards.

In trying to hold down profits, the oil industry is heeding the advice of the White House and senior Republicans in Congress.

In a speech on Aug. 8, President George Bush urged oil companies to show restraint in raising gasoline prices. The next day, Senator Bob Dole, Republican of Kansas, the minority leader, sent a telegram to the chief executives of 11 major oil companies, warning that if gasoline-price increases were not checked, the outcry would be overwhelming.

"I can assure you that it will be very difficult to stop legislation controlling the prices of petroleum products or taxing profits resulting from these increases should action not be taken by the oil industry," he said in the telegram.

The industry is anxious to avoid a replay of the 1970s, when angry consumers and legislators pilloried the industry as oil prices and company profits soared. A windfall profit tax took several billion dollars away from oil companies before crude oil prices plunged below $10 after 1985.

Bryan Jacoboski, an analyst at PaineWebber Inc., said oil executives suppose now that "the best way to avoid any windfall profit tax is not to report any windfall profits."

Nonetheless, profit increases of more than 40 percent from those reported in the comparable quarter last year seem certain for at least four major oil companies, and many others are expected to show profits of close to 20 percent, Wall Street analysts say.

In general, oil companies that will profit the most are those that produce a great deal of crude oil and thus will benefit from the near-doubling of crude oil prices.

Holding down prices at the gas pump could also help the larger oil companies in the future because smaller competitors might be squeezed out of gasoline retailing.

One independent company, East Coast Oil Corp., which is based in Richmond and has 42 gas stations in Virginia, has had its daily sales volume reduced by 20 percent in the last month because its prices are now a few pennies a gallon higher than nearby stations operated by major oil companies like Texaco Inc. and Mobil Corp.

The East Coast president, John M. Steele, said he would have to sell the gas at a loss of a few pennies a gallon to match the major companies' prices.

U.K. and Japan In SEC Talks

New York Times Service

WASHINGTON — Richard C. Breeden, the chairman of the U.S. Securities and Exchange Commission, plans to hold two days of talks this week with top securities regulators of Britain and Japan.

The conference, which Mr. Breeden described as the first of its kind, will explore such topics as the fairness and efficiency of the emerging global securities market, the SEC said. The regulators will also discuss increasing the access of U.S. securities firms to the Japanese financial markets and the entry of foreign banks into the U.S. securities markets.

The talks come after the three largest U.S. markets have announced plans for all-night trading sessions to regain trading volume from London and Tokyo.

WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

Shares prices suffered a slight loss, as the CBS all-share index closed at 181.30, down just one point for the week.

A firm start on Monday on relief at the lack of escalation in the Gulf crisis was followed by increasing nervousness and lower prices the rest of the week.

Turnover reached 6.6 billion guilders, 2.4 billion of which was in equities, up from 5.1 billion guilders with 2.1 billion in equities a week earlier.

The Kempen & Co. brokerage said that uncertainty and low volume point to lower prices in the near future.

Frankfurt

West German shares marked time, with the two leading indicators yielding conflicting results.

The DAX spot-trend indicator closed the week at 1,554.07 points, down 8.85 from the previous Friday. But the Commerzbank indicator made a slight gain of 2.1 points on the week to finish at 1,915.2.

Volume on the eight West German stock exchanges was up strongly to 29.80 billion Deutsche marks, against 19 billion DM the previous week.

Analysts said the Frankfurt market had been divided during the week between hope and fear, but that in any case many investors were maintaining a wait-and-see attitude on the Gulf crisis.

Hong Kong

Share prices edged up in thin trading, with the key Hang Seng Index gaining 17.25 points, or 0.57 percent, on the week to close Friday at 3,062.04.

Average daily turnover shrank to 585 million Hong Kong dollars from 666 million dollars the previous week.

The key index climbed as far as 3,105.04 on Wednesday — its highest level since Aug. 20 — but the market was unable to maintain the gains, falling 11.07 points Thursday and 31.93 Friday.

Dealers attributed the thin trading to weak performances on overseas markets, with many investors staying on the sidelines.

London

Fresh Gulf tension and a series of poor company reports sent the Financial Times 100-share index down through the psychological 2,100 barrier last week.

Pessimism was reinforced by the prospect of stagflation, with inflation running at 10.6 percent annually in August and unemployment up by the biggest monthly margin in four years.

The key index closed down 29.1 points on the week at 2,093.8, and the FT-30 index finished down 28.9 points at 1,609.6.

Signs of a slowdown in the economy in the form of weaker-than-expected retail sales data provided some early support. But a statement from the Iranian spiritual leader Ayatollah Sayed Ali Khamenei in midweek supporting a holy war against U.S. forces in the Gulf removed early gains, and shares were in near free-fall Friday after news that foreign diplomats had been seized by Iraqi forces in Kuwait.

Milan

Italian stocks ended higher, as the week's first four sessions were all winners while Friday brought a moderate decline.

The MIB index finished at 893 points on Friday, against 879 a week earlier, a 1.59 percent rise.

Volume was slightly higher, an average of 45 million shares changing hands daily, against 40 million the previous week. The average daily value was 145 billion lire, compared with 115 billion lire the previous week.

Paris

The Paris Bourse finished the week with price levels little changed from the previous Friday, a jump on Monday being offset by a downtrend for the rest of the week in very light trading.

Operators said that the Gulf crisis had created so much uncertainty that most investors had fled the market and volume had more or less dried up.

The CAC-40 index ended the week on Friday at 1,614.93, down about 0.5 percent from the previous Friday.

Singapore

The Straits Times industrial index zigzagged throughout the week before closing 11.59 points lower at 1,226.83, while the Stock Exchange of Singapore all-Singapore index ended the week 1.22 points lower at 346.76.

Turnover for the week improved to 241.4 million shares valued at 369.3 million Singapore dollars, against the previous week's light volume of 188.1 million units worth 349.9 million dollars.

Tokyo

Prices on the Tokyo Stock Exchange rebounded, with the key Nikkei average closing Friday at 24,897.46, for a weekly gain of 935.39 points, or 3.9 percent. The 225-blue chip average had plunged 2,016.30 point the previous week.

The TOPIX Index of all stocks listed on the market's first section rose 49.75 points to 1,895.68 after a 128.04-point drop the week before.

Daily average volume rose from the previous week's 385.46 million shares to 476.96 million. Daily average value of shares traded climbed from 484.6 billion yen to 581 billion yen.

The market was volatile throughout the week, with the Gulf crisis and the prospect of higher interest rates weighing heavily.

Zurich

Zurich stocks changed little in a week of very light trading.

The Swiss Performance Index was down 0.7 of a point on the week, to 991.3. The Crédit Suisse indicator fell 3.6 points to 534.4, while the Swiss Bank Corp. index was unchanged at 565.

Operators said volume was about a fifth of the normal level, as investors stayed on the sidelines in the light of uncertainty about the Gulf situation. In the absence of developments, the stagnation should persist in the new trading week, they said.

BUSINESS BRIEFS

Italy Gives Big Credit Line to Moscow

MOSCOW (AFP) — Italy has decided to grant a credit line of more than three trillion lire ($2.5 billion) to the Soviet Union, the Italian foreign minister, Gianni De Michelis, announced here.

He told a news conference on Saturday that the funds would include an immediate loan of $1 billion guaranteed by the Italian government.

Mr. De Michelis, who met for more than two hours with President Mikhail S. Gorbachev, said that the two sides agreed to prepare an Italian-Soviet treaty concerning all aspects of political, economic and cultural cooperation between the two countries.

Britain Sues For Return of Subsidies

LONDON (AFP) — The British government has started court proceedings to recover £44.4 million ($84 million) paid to British Aerospace PLC and the Rover Group to subsidize the privatization of Rover.

BAe is being asked to refund £42.9 million and Rover, £1.5 million.

The Ministry of Trade and Industry, in a statement on Saturday, noted that the government had been required by Brussels to recover the sums, granted in the form of tax relief, after the European Commission decided that the aid violated Community rules.

Low Gold Price Threatens Mine Jobs

JOHANNESBURG (AFP) — Some 80,000 jobs in South Africa's gold mining industry are at risk if the gold price remains at its present level, Brian Gilbertson, chairman of the mining house Genmin, said here Sunday.

This could affect the lives of more than 400,000 men, women and children, since each breadwinner has an average of five dependents and 29,000 jobs had already been lost, he said in an interview with the Sunday Star newspaper.

Mr. Gilbertson said Genmin would have to close three mines before the end of the year if the present gold price of 980 rand ($381.3) an ounce did not improve. Almost 18 percent of gold production is now unprofitable and the potential annual wage loss is 750 million rand, he added.

U.S. Complaint Over Japan Contract

TOKYO (UPI) — An American manufacturer believes Japan violated a U.S.-Japanese trade accord in rejecting its bid for providing a moving walkway in a Japanese airport under construction in Osaka, the company's international marketing manager said Sunday.

AEG Westinghouse alleges that bidding was not conducted according to agreed-upon procedures and will seek to have the process reopened in a hearing Monday at the Kansai International Airport Co., said the manager, Peter M. Stetler.

The airport company, a quasi-governmental agency, awarded the contract for the airport's people-mover system to a Japanese firm in the Sumitomo group after 13 companies had made bids.

Record Loan by Malaysian Steel Firm

KUALA LUMPUR (AFP) — State-owned Perwaja Steel Sdn. has signed an agreement for a project-finance loan of 880 million ringgit ($327 million) provided by 30 local and two offshore financial institutions.

It is the largest project-finance loan raised without government guarantee, according to bankers.

Perwaja Steel is raising the loan to rehabilitate a failed direct-reduction plant built by Japan's Nippon Steel Corp. and to build a second facility.

Peugeot Launches an Indonesian 405

JAKARTA (AFP) — The French automaker Peugeot SA and Indonesia's private corporate group, Astra International Inc., have launched an upmarket, fuel-injected version of the Peugeot 405 series here.

Officials of PT France Motor, a joint venture between Peugeot and Astra set up in 1972, hope the 405 SRI will be able to compete locally with the West German BMW and Japanese models.

They expect monthly sales of 250 units in 1991.

THOMSON: *Frenchman Leads West in Electronics Battle With Japan*

(Continued from first finance page)

ly on orders from consumer electronics manufacturers.

If the semiconductor business goes under, he adds, then the Japanese will soon steamroll over other Western industries that rely on semiconductors, including automobiles and computers.

Partly as a result of Mr. Gomez's prodding, the French government is working hand in hand with business to check the Japanese.

It has imposed quotas on Japanese-made cars and televisions and pushed the European Community to slap dumping penalties on Japanese products.

France has also pledged $550 million to help Thomson develop high-definition television, in contrast to Washington, which has declined to put up research money.

"The French are the flagship of European protectionism," said Takao Negishi, European director of the Electronics Industry Association of Japan. "They're not playing the game according to the rules."

But the Japanese broke the rules first, Mr. Gomez counters.

Thomson is staking a lot of its future on this development, which provides far sharper images than current televisions. "This is a crucial product," said Mr. Gomez. "If things go the way we think, there is no reason why we can't truly catch up with the Japanese."

In many ways, it is an accomplishment that Mr. Gomez can even talk about catching up with the Japanese. When France's Socialist government nationalized Thomson in 1982 and placed him in charge, the company was in 23 disparate lines of business and teetering near bankruptcy.

Mr. Gomez streamlined Thomson, sold off its majestic 19th Century headquarters and broke up its many feudal baronies. He slashed headquarters staff and laid off thousands of office and factory workers. Many Socialist cohorts demonized him as a ruthless capitalist.

Mr. Gomez, a former paratrooper, graduated from France's elite Ecole Nationale d'Administration, and then went to Harvard Business School.

After working in the French Finance Ministry, he joined Compagnie de Saint-Gobain, the state-owned glass, packaging and construction-products company.

When Mr. Gomez arrived at Thomson, he quickly began unloading money-losing businesses, including telecommunications, copper wire and medical equipment.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, September 14.

(Continued)

	Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]					

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, September 14.

Option & price		Calls		Puts	
		Sep	Oct	Sep	Oct
[illegible]					

Total Volume: 537,667
Open Interest: 5,421,697
r—Not traded. s—None offered. o—Old.

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, September 14.

Option & price		Calls		Puts	
		Sep	Oct	Sep	Oct
[illegible]					

Total Volume: 136,198
Open Interest: 2,645,551
r—Not traded. s—None offered. o—Old.

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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MONDAY SPORTS

No. 1 Notre Dame Again Foils Michigan With a Late Drive

By Steve Berkowitz
Washington Post Service

SOUTH BEND, Indiana — Like Lucy pulling the ball away from Charlie Brown, Notre Dame has done it again to Michigan.

Sophomore quarterback Rick Mirer, making his first start, threw an 18-yard touchdown pass to sophomore flanker Adrian Jarrell with 1:40 left in the game, and the Fighting Irish, the top-ranked team in The Associated Press college football poll, defeated the fourth-ranked Wolverines, 28-24, Saturday night at Notre Dame Stadium.

It was Notre Dame's fourth consecutive victory over Michigan, which had not lost to the same opponent in four straight years since being beaten by Purdue five times from 1962 to 1966.

Mirer's only touchdown pass of the game concluded a 79-yard drive that began with 4:33 left. It gave Gary Moeller a loss in his first game as Michigan's head coach and put to waste a 22-carry, 201-yard rushing effort by Wolverines junior tailback Jon Vaughn, who became the first player to reach the 200-yard mark against Notre Dame since Blair Thomas of Penn State ran for 214 yards in 1987.

Michigan trailed, 14-10, at halftime but held Notre Dame on the first series of the second half. The Wolverines then drove 85 yards in 11 plays for a go-ahead touchdown, a one-yard sweep by tailback Alan Jefferson.

On Notre Dame's next possession, David Key jarred the ball from tailback Tony Brooks's grasp and Mike Evans recovered, giving Michigan possession at the 26. On the ensuing play, Grbac passed to Howard in the left flat. Howard dodged

COLLEGE FOOTBALL

cornerback Rod Smith and sped down the sideline, making it 24-14.

The Fighting Irish took advantage of a missed field goal by the Wolverines and drove from their own 19 to close within 24-21. On third and 15 from the Irish 15, Mirer fired a pass downfield that bounced off Raghib (Rocket) Ismail's hands and into those of Lake Dawson, who brought the ball to Michigan's 40. Notre Dame continued to move, and with 13 minutes left in the game, fullback Rodney Culver dove for a one-yard touchdown.

The teams traded interceptions before the Wolverines had to punt, and the Irish began their game-winning drive.

In other games, The Associated Press reported:

No. 2 Auburn 24, Mississippi 10: In Jackson, Mississippi, freshman quarterback Stan White ended a 59-yard drive with a 26-yard touchdown pass to Greg Taylor for a 17-10 lead, and the Tigers put Ole Miss away when Dennis Wallace returned an intercepted pass 36 yards for a touchdown with 24 seconds to play.

No. 3 Florida State 48, Georgia Southern 6: in Tallahassee, Florida, Shannon Baker and Amp Lee each had two touchdowns and Terrell Buckley scored on a long punt return for the second straight week, sparking Florida State to its 12th straight victory, the longest winning streak in the United States.

No. 5 BYU 50, Washington State 36: Ty Detmer threw touchdown passes of 16 yards to Brent Nyberg, 32 yards to Andy Boyce and nine yards to Stacy Corley as Brigham Young rallied from a 29-14 deficit after three quarters in Provo, Utah.

No. 6 USC 19, Penn State 14: Todd Marinovich threw for 240 yards and a touchdown in Los Angeles as Southern Cal dropped Penn State to 0-2 for only the second time in Joe Paterno's 25 seasons as coach.

Marinovich threw a five-yard touchdown pass to Frank Griffin to give the Trojans a 7-0 lead on their first possession. Field goals of 26 and 46 yards by Quin Rodriguez made it 13-7 at the half, and a one-yard scoring dive by Ricky Ervins late in the third quarter gave the Trojans some breathing room.

No. 7 Tennessee 56, Texas-El Paso 0: Tony Thompson, who began the season as a reserve, ran for three touchdowns in little more than a quarter in Knoxville, Tennessee. Thompson had touchdown runs of three, five and 18 yards to cap Tennessee's first three drives.

No. 21 Illinois 23, No. 9 Colorado 22: Howard Griffith plunged one yard for a touchdown with 1:18 left to complete the Illini rally from a 17-3 deficit in Champaign, Illinois.

No. 10 Miami 52, California 24: Craig Erickson passed for 467 yards and four touchdowns, and ran for another score in Berkeley, California.

No. 11 Virginia 56, Navy 14: In Charlottesville, Virginia, Shawn Moore threw for four touchdowns and ran for a fifth before halftime as Virginia made quick work of Navy. Moore passed for 250 yards.

No. 12 Texas A&M 63, Southwestern Louisiana 14: In College Station, Texas, Lance Pavlas completed all nine of his passes, three for touchdowns, in pacing Texas A&M to a school-record 774 yards.

Robert Wilson, Darren Lewis and Randy Simmons each had 100-yard rushing performances as the Aggies put up the second-highest yardage total in Southwest Conference history.

No. 14 Oklahoma 52, No. 13 Pitt 10: Kenyon Rasheed, Ike Lewis and Dewell Brewer each ran for more than 100 yards as Oklahoma piled up 450 yards on the ground and 529 overall against the mistake-prone Panthers in Norman, Oklahoma. Pitt lost three fumbles and had two passes intercepted.

No. 15 Arkansas 28, Tulsa 3: Quinn Grovey completed his first two passes for touchdowns covering 48 and 57 yards as the Razorbacks took charge early in Fayetteville, Arkansas.

No. 16 Clemson 18, Maryland 17: In Baltimore, Doug Thomas returned a kickoff 98 yards for a touchdown and set up the winning score with a 37-yard reception in the final period.

No. 17 Ohio State 31, Boston College 10: Bobby Olive caught two TD passes and Raymond Harris added touchdown runs of nine and 35 yards for the Buckeyes in Chestnut Hill, Massachusetts.

HOW THE ASSOCIATED PRESS TOP 25 FOOTBALL TEAMS FARED

1. Notre Dame (1-0) beat No. 4 Michigan 28-24.
2. Auburn (2-0) beat Mississippi 24-10.
3. Florida State (2-0) beat Georgia Southern 48-6.
4. Michigan (0-1) lost to No. 1 Notre Dame 28-24.
5. Brigham Young (3-0) beat Washington State 50-36.
6. Southern Cal (2-0) beat Penn State 19-14.
7. Tennessee (3-0-1) beat Texas-El Paso 56-0.
8. Nebraska (2-0) did not play.
9. Colorado (1-1-1) lost to No. 21 Illinois 23-22.
10. Miami, Fla. (1-1) beat California 52-24.
11. Virginia (3-0) beat Navy 56-14.
12. Texas A&M (2-0) beat Southwestern Louisiana 63-14.
13. Pittsburgh (2-1) lost to No. 14 Oklahoma 52-10.
14. Oklahoma (2-0) beat No. 13 Pittsburgh 52-10.
15. Arkansas (1-0) beat Tulsa 28-3.
16. Clemson (2-1) beat Maryland 18-17.
17. Ohio State (2-0) beat Boston College 31-10.
18. Houston (2-0) did not play.
19. Michigan State (0-0-1) tied Syracuse 23-23.
20. Arizona (2-0) beat New Mexico 25-10.
21. Illinois (1-1) beat No. 9 Colorado 23-22.
22. Washington (2-0) beat Purdue 20-14.
23. Texas (1-0) did not play.
24. Florida (2-0) beat Alabama 17-13.
25. Arizona State (2-0) beat Colorado State 31-20.

IOC Seeks Peace-Keeping Role

Compiled by Our Staff From Dispatches

TOKYO — Juan Antonio Samaranch, president of the International Olympic Committee, called on Sunday for an "Olympic truce" to bring peace to the world.

Speaking at the formal opening of the 96th session of the IOC, Samaranch predicted that the Olympic movement founded in 1894 would in the next century become a forum for peaceful dialogue between nations.

"During its second century of existence, Olympism will, I am convinced, become the privileged forum for the encounter, reflection and action of the rising forces in our world," Samaranch told delegates.

Samaranch made no direct reference to moves to ban Iraq from the this month's Asian Games in Beijing because of its invasion of Kuwait on Aug. 2.

The IOC has expressed support for the Kuwaiti National Olympic Committee, which is in exile in Saudi Arabia, and Samaranch paid tribute to Sheikh Fahad al Sabah, the Kuwaiti IOC member who was killed during the invasion.

Samaranch also expressed support for national Olympic committees in eastern Europe: "In these troubled times, far be it from us to pass the slightest judgment on the highly complex political problems which are still evolving rapidly as we watch," he said.

The IOC president has set up a panel to study the future of sports organizations in the Baltic republics of Latvia, Lithuania and Estonia, which are seeking independence from the Soviet Union.

Earlier Sunday, Athens offered vacation cruises for Olympic athletes as the bidding for the 1996 Summer Games entered its final three days. The IOC will vote Tuesday on the host city.

The president of the Athens Olympic bid committee, Spyros Metaxa, said 15,000 competitors and officials would be treated to a cruise of the Greek islands after the Games in his city were finished.

He was flanked at a news conference by an array of international business leaders of Greek descent, all pitching for Athens to stage the 100th birthday of the modern Olympics on sentimental, historical and practical grounds. Athens is the birthplace of the ancient Olympics and the city where they were reincarnated in 1896. *(Reuters, AP)*

World Beckons Basketball, Hockey

NBA Says Maybe

By David Aldridge
Washington Post Service

BOCA RATON, Florida — The possibility of a world club championship involving the National Basketball Associaiton champion could be part of the league's future, Commissioner David Stern said.

The league's participation in the McDonald's Open has given the league a sense of the possibilities, Stern said. This year in the McDonald's, the New York Knicks will play against POP 84 Split, the European champion, Scavolini Pesaro of Italy and host Barcelona.

"If anything, the McDonald's Open is very much sort of a testing ground for a club championship," Stern said at meetings here on Friday. "We don't wait until the end of our season to send our champion to it. We do some handicapping.

"It might be that the McDonald's Open in some future year will be a tournament. We don't have a grand design on it. We just keep watching what the Europeans do in European basketball, what the soccer people do in World Cup soccer."

Stern said the McDonald's Open might add up to four teams.

The NHL Says No

The Associated Press

RIGA, U.S.S.R. — John Ziegler, president of the National Hockey League, has turned down a request by the Soviet Union to get one of its teams into Milwaukee as an expansion franchise.

Ziegler said the Soviets were told "it was not league policy to admit national teams." Ziegler was in the Soviet Union with the touring Canadiens and North Stars.

The Soviets had also inquired about Ottawa, Hamilton, Ontario, or Saskatoon, Saskatchewan.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	80	66	.548	—
Toronto	78	68	.534	2
Detroit	70	77	.476	10½
Milwaukee	68	77	.469	11½
Cleveland	67	79	.459	13
Baltimore	65	79	.451	14
New York	60	85	.414	19½
West Division				
Oakland	93	52	.641	—
Chicago	83	62	.572	10
Texas	77	68	.531	16
California	74	72	.507	19½
Seattle	71	75	.486	22½
Kansas City	67	78	.462	26
Minnesota	66	81	.449	28

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	84	62	.575	—
New York	83	62	.572	½
Montreal	77	68	.531	6½
Chicago	69	76	.476	14½
Philadelphia	66	79	.455	17½
St. Louis	66	80	.452	18
West Division				
Cincinnati	81	63	.563	—
Los Angeles	77	68	.531	4½
San Francisco	75	70	.517	6½
San Diego	67	77	.465	14
Houston	66	79	.455	15½
Atlanta	59	86	.407	22½

Friday's Line Scores

AMERICAN LEAGUE

New York 005 000 000—5 9 1
Detroit 100 000 010—2 5 0
Leary, Guetterman (8), Plunk (8) Cadaret (8), J.D. Robinson (8), Righetti (9) and Leyritz, Geren (9); Aldred, Gibson (3), Henneman (6), Parker (9) and Rowland. W—Leary, 9-18. L—Aldred, 1-1. Sv—Righetti (32)

Cleveland 112 011 000—6 9 1
Kansas City 010 010 110—4 9 1
S. Valdez, Jones (8) and Alomar; Appier, Crawford (5), Farr (8), Montgomery (9) and Palacios. W—S. Valdez, 4-5. L—Appier, 11-7. Sv—Jones (35). HR—Cleveland, C. James (11).

Baltimore 000 006 001—7 6 0
Toronto 000 210 203—8 14 0
Telford, Milacki (5), Ballard (7), Schilling (7), Price (8), Olson (9) and Melvin; Key, Ward (6), Acker (8), Cerutti (9), Blair (9) and Borders. W—Blair, 2-5. L—Olson, 5-5. HR—Baltimore, Horn (12).

Boston 000 000 000—0 4 0
Chicago 000 200 02x—4 9 0
Hesketh, Andersen (6), Reardon (8), Murphy (8) and Pena, Marzano (7); McDowell, Patterson (8), Jones (8), Thigpen (9) and Fisk. Karkovice (9). W—McDowell, 13-7. L—Hesketh, 0-3. HR—Chicago, Sosa (13).

Milwaukee 000 001 000 0—1 5 0
Texas 000 000 010 1—2 7 0
(10 innings)
Navarro, Plesac (8), Crim (9) and Surhoff; Ryan, Arnsberg (9), Rogers (9) and Petralli; Kreuter (9). W—Rogers, 9-5. L— Crim, 3-5. HRs—Milwaukee, Yount (16). Texas, Gonzalez (4).

Seattle 300 000 200—5 8 0
California 005 000 20x—7 10 2
M. Young, Swift (7) and Bradley; McCaskill, McClure (7), Harvey (8) and Parrish. W—McClure, 2-0. L—M. Young, 8-15. Sv—Harvey (23). HRs—Seattle, Griffey Sr. (3), Griffey Jr. (20). California, Winfield 2 (18).

Minnesota 000 010 000—1 5 0
Oakland 000 210 33x—9 15 0
Guthrie, Leach (7), Wayne (7), Savage (8) and Harper; Stewart and Steinbach. W—Stewart, 20-10. L—Guthrie, 6-8.

NATIONAL LEAGUE

San Diego 101 000 100—3 9 1
Atlanta 000 510 10x—7 10 1
Lilliquist, Show, (4), Rl. Rodriguez (6), Schiraldi (8) and Santiago; Glavine, Grant (7) and Olson. W—Glavine, 8-11. L—Lilliquist, 3-10. Sv—Grant (1). HRs—Atlanta, Gant (29), Presley (19).

Pittsburgh 010 100 000—2 5 0
Montreal 000 100 03x—4 7 0
Walk, Heaton (8) and Slaught; Barnes, Frey (8) and Fitzgerald, Mercado (8). W—Frey, 8-2. L—Heaton 12-9. HRs— Pittsburgh, Bonds 2 (29) Montreal, Walker (18).

Philadelphia 000 111 010—4 7 1
New York 010 000 000—1 4 0
Combs and Daulton; Fernandez, Pena (8), Schatzeder (8), Whitehurst (9) and O'Brien. W—Combs, 8-9 L—Fernandez, 9-13. HRs—Philadelphia, Murphy (22). New York, Johnson (21).

Los Angeles 000 010 100—10 14 1
Cincinnati 001 010 011— 4 9 2
Valenzuela and Scioscia; Browning, Layana (6), Birtsas (8) and Oliver. W— Valenzuela, 13-12. L—Browning, 13-8. HRs—Los Angeles, Murray (24), Daniels (25). Cincinnati, Braggs (5).

Chicago 000 000 200—2 8 1
St. Louis 103 000 00x—4 10 0
Williams, Wilson (4), Long (5), Pavlas (7) and Girardi; B. Smith, Camacho (7), Perez (7) and Pagnozzi. W—B. Smith, 8-8. L—Williams, 1-8. Sv—Perez (1).

San Francisco 000 100 000—1 5 0
Houston 101 000 00x—2 9 0
Downs, O Neal (4), Wilson (6) and Kennedy, Carter (8), Portugal, Agosto (7) and Gedman, Biggio (7) W—Portugal, 9-10. L—Downs, 1-1. Sv—Agosto (3).

Saturday's Line Scores

AMERICAN LEAGUE

Baltimore 000 020 001—3 10 0
Toronto 001 000 003—4 8 0
Harnisch, Schilling (9) and Melvin; Wells, Blair (9) and Myers. W—Blair, 3-5. L—Schilling, 1-2 HRs—Baltimore, B. Ripken (3), C. Ripken (18). Toronto, Gruber (27).

Minnesota 001 000 000—1 2 2
Oakland 000 000 40x—4 4 1
P. Abbott, Leach (7), Wayne (7), Drummond (?) and Ortiz; Welch, Eckersley (9) and Hassey, Steinbach (8). W—Welch, 24-6. L—P. Abbott, 0-4. Sv—Eckersley (43).

Boston 171 000 100—4 8 0
Chicago 301 430 00x—7 12 0
G. Harris, Lamp (5), Gardner (7) and Pena; Hibbard, Hillegas (7), Thigpen (9) and Fisk. W—Hibbard, 13-6. L—G. Harris, 13-7. Sv—Thigpen (50)

New York 100 000 101—3 8 1
Detroit 000 300 10x—4 11 1
Elland, Plunk (7), Cadaret (8) and Leyritz; Tanana, Nunez (7) and Salas. W—Tanana, 8-7. L—Elland, 0-1. Sv—Nunez (4). HRs—New York, Barfield (23), Blowers (5), Hall (12).

Cleveland 520 010 060—14 17 1
Kansas City 100 032 000— 6 14 2
Swindell, Olin (6) and Skinner; McGaffigan, Codiroli (2), Sanchez (6), Crawford (7), M.Davis (8) and Macfarlane. W—Swindell, 11-8. L—McGaffigan, 3-3. Sv—Olin (1). HRs—Cleveland, T. Ward (1), Jefferson (2).

Milwaukee 210 000 000—3 11 1
Texas 200 000 10x—4 10 2
Edens, K.D. Brown (2), Machado (6) and Surhoff; Alexander, Moyer (2), Mielke (5), Jeffcoat (8) and Petralli. W—Moyer, 2-6. L—Edens, 4-3. Sv—Jeffcoat (5). HR—Texas, Franco (10).

Seattle 110 202 001—7 16 0
California 010 001 000—2 6 1
Hanson and Valle; J. Abbott, Fetters (6), Minton (8), Eichhorn (9) and Orton. W—Hanson, 15-9 L—J.Abbott 10-13. HR— Winfield (19).

NATIONAL LEAGUE

Philadelphia 010 000 001—2 6 2
New York 003 001 00x—4 7 0
Mulholland, Boever (7) and Daulton; Viola, Franco (9) and O'Brien. W—Viola, 19-9. L—Mulholland, 8-9. Sv—Franco (33). HR—Philadelphia, Murphy (23)

Los Angeles 001 000 200—3 9 0
Cincinnati 000 000 000—0 6 0
R. Martinez and Scioscia; D.Jackson, Scudder (8), Ro. Rodriguez (9), Brown (9) and Reed. W—R. Martinez, 18-6. L—D. Jackson, 5-5. HR—Los Angeles, Samuel (11).

Pittsburgh 100 030 000—3 4 1
Montreal 100 000 30x—4 8 0
Z. Smith, Patterson (8), Belinda (8) and Bilardello; Nabholz, Sampen (7), Ruskin (8), Burke (8) and Santovenia, Mercado (8), Fitzgerald (8). W—Sampen, 11-6. L—Z. Smith, 10-8. Sv—Burke (19). HRs—Pittsburgh, Redus (6), Van Slyke (15).

San Diego 003 000 000 02—5 12 1
Atlanta 000 000 102 00—3 10 1
(11 innings)
Benes, G. Harris (7), Lefferts (9), Show (11) and Santiago; Smoltz, Freeman (8), Parrett (10), Castillo (11) and Whitt. W— Lefferts, 7-4. L—Parrett, 5-10. Sv—Show (1). HRs—Atlanta, Blauser (7), Lo. Smith (8).

Chicago 002 000 301—4 7 0
St. Louis 002 000 000—2 4 1
Kramer, Lancaster (6) and Girardi; DeLeon, DiPino (7), Terry (8) and Pagnozzi. W—Lancaster, 8-5. L—DeLeon, 7-17. HRs—Chicago, Sandberg 2 (36). St. Louis, Lankford (3).

San Francisco 001 000 010 0—2 5 0
Houston 010 000 010 1—3 8 2
(10 innings)
LaCoss, Oliveras (7), Bedrosian (8) and Kennedy; Scott, Osuna (8), Hernandez (8) and Biggio. W—Hernandez, 1-0. L—Bedrosian, 8-9.

Japanese Leagues

Central League	W	L	T	Pct.	GB
x-Yomiuri	81	38	0	.681	—
Taiyo	58	57	2	.504	21
Hiroshima	57	58	1	.496	22
Chunichi	57	65	1	.467	25½
Yakult	54	63	0	.462	26
Hanshin	47	73	0	.392	34½
Pacific League	**W**	**L**	**T**	**Pct.**	**GB**
Seibu	73	36	4	.670	—
Orix	59	52	4	.532	15
Nippon Ham	59	52	1	.532	15
Kintetsu	57	56	1	.504	18
Lotte	45	59	2	.433	25½
Daiei	35	73	3	.324	37½

x-clinched league title

Sunday's Results
Taiyo 5, Yakult 0
Chunichi 3, Hiroshima 2, 10 innings
Seibu 3, Nippon Ham 1

TENNIS

MEN'S TOURNAMENTS
In Amelia Island, Florida
Semifinals
Michael Chang, U.S., def. Aaron Krickstein, U.S., 7-6 (7-3), 6-2; Jay Berger, U.S., def. Malivai Washington, U.S., 6-3, 6-3.

In Bordeaux, France
Semifinals
Goran Ivanisevic (2), Yugoslavia, def. Guillermo Perez-Roldan (3), Argentina, 6-4, 6-4; Guy Forget (4), France, def. Ronald Agenor (8), Haiti, 6-3, 6-4.

Final
Forget def. Ivanisevic, 6-4, 6-3.

In Geneva
Semifinals
Sergi Bruguera (6), Spain, def. Michael Tauson, Denmark, 6-1, 6-2; Horst Skoff (2), Austria, def. Marc Rosset (4), Switzerland, 4-6, 6-3, 6-2.

SOCCER

ENGLISH FIRST DIVISION
Liverpool 4, Manchester United 0
Arsenal 4, Chelsea 1
Coventry 0, Wimbledon 0
Crystal Palace 2, Nottingham Forest 2
Derby 0, Aston Villa 2
Manchester City 2, Norwich 1
Queen's Park Rangers 6, Luton 1
Southampton 2, Sheffield United 0
Sunderland 2, Everton 2
Leeds 0, Tottenham 2

Standings: Liverpool 15; Arsenal, Tottenham, Crystal Palace 11; Manchester United, Manchester City 10; Queen's Park Rangers, Aston Villa, Leeds, Southampton, Luton 7; Nottingham Forest, Chelsea 6; Sunderland, Coventry, Wimbledon 5; Norwich 3; Everton, Sheffield United, Derby 2.

WEST GERMAN FIRST DIVISION
Werder Bremen 1, Borussia Dortmund 1
Fortuna Duesseldorf 1, Bayern Munich 2
VfB Stuttgart 0, Bayer Leverkusen 2
B. Moenchengladbach 1, Eintracht Frankfurt 1
FC Cologne 1, Hamburger SV 0
VfL Bochum 4, Hertha Berlin 2
FC St. Pauli 1, SG Wattenscheid 1
FC Kaiserslautern 3, FC Nuremberg 1
Karlsruhe SC 2, Bayer Uerdingen 0

Standings: Bayern Munich 10; Bayer Leverkusen, FC Kaiserslautern 9; Eintracht Frankfurt, FC Cologne 8; VfL Bochum 7; VfB Stuttgart, Werder Bremen, Wattenscheid, Fortuna Dusseldorf, Borussia Dortmund 6; FC Nuremberg , Bayer Uerdingen . FC St. Pauli 5; Hamburger SV , Karlsruhe SC 4; Borussia Moench. 3; Hertha BSC Berlin 1.

DUTCH FIRST DIVISION
FC Groningen 1, Ajax 2
Feyenoord 1, PSV Eindhoven 1
Mastricht VV 2, Heerenveen 0
NEC 0, Roozendaal KC Waalwijk 0
FC Twente Enschede 0, Sparta Rotterdam 1
Fortuna Sittard 1, SVV 0
Willem II Tilburg 0, Vitesse 0
FC Utrecht 2, Roda JC Kerkrade 1

Standings: PSV Eindhoven, Ajax 6; Feyenoord, Vitesse, FC Groningen, FC Twente Enschede, Fortuna Sittard, NEC Nijmegen 5; Volendam, Willem II Tilburg, RKC Waalwijk, Sparta Rotterdam 4; SC Heerenveen 3; Roda JCKerkrade, SVV Schiedam, FC Utrecht, MVV Maastricht 2; FC Den Haag 1.

ITALIAN FIRST DIVISION
Bari 2, Torino 1
Cesena 0, AC Milan 1
Fiorentina 0, Sampdoria of Genoa 0
Genoa 3, AS Roma 0
Internazionale of Milan 1, Bologna 0
Juventus of Turin 1, Atalanta of Bergamo 1
Lazio of Rome 0, Parma 0
Napoli 1, Cagliari 2
Pisa 4, Lecce 0

Standings: Pisa, Internazionale, AC Milan 4; Atalanta, Juventus, Sampdoria 3; Genoa, Roma, Lazio, Bari, Cagliari 2; Napoli, Torino, Parma, Fiorentina, Lecce 1; Bologna, Cesena 0.

FRENCH FIRST DIVISION
Nice 0, Monaco 0
Paris St Germain 3, Caen 2
Toulon 0, Lille 0
Nancy 3, Nantes 2
Cannes 1, Bordeaux 1
Toulouse 0, Olympique Marseille 2
Sochaux 0, Auxerre 1
St. Etienne 0, Lyon 1
Brest 1, Metz 0
Rennes 1, Montpellier 2

Standings: Olympique Marseille 16; Auxerre 12; Caen, Brest, Monaco, Lyon 11; Montpellier, Paris St. Germain 10; Lille, Metz 9; Nice, Nantes, Bordeaux, Toulouse 8; Toulon, Cannes 7; Sochaux, St Etienne, Nancy, Rennes 6.

FOOTBALL

College Football Scores

EAST
Army 24, Holy Cross 7
Boston U. 38, West Chester 7
Bucknell 21, Lafayette 14
Cornell 17, Princeton 14
Harvard 9 Columbia 6
Lehigh 35, Towson St. 14
Massachusetts 21, Maine 10
New Hampshire 34, Delaware 7
Ohio St. 31, Boston College 10
Penn 16, Dartmouth 6
Rhode Island 37, Richmond 0
Rutgers 28, Colgate 17
Syracuse 23, Michigan St. 23, tie
Temple 28, Austin Peay 0
Yale 27, Brown 21

SOUTH
Alabama St. 41, Alcorn St. 3
Auburn 24, Mississippi 10
Bowie St. 34, Morgan St. 9
Cent. Florida 42, Bethune-Cookman 9
Clemson 18, Maryland 17
E. Kentucky 45, SE Missouri 0
Florida 17, Alabama 13
Florida A&M 28, Miss. Valley St. 13
Florida St. 48, Georgia Southern 6
Furman 38, Tn.-Chattanooga 21
Georgia 18, S. Mississippi 17
Grambling St. 37, Tennessee St. 20
Indiana 45, Kentucky 24
Jackson St. 52, Miles 0
LSU 35, Miami, Ohio 7
Louisville 28, Kansas 16
Mississippi St. 27, Fullerton St. 13
N. Carolina A&T 40, W. Carolina 19
N. Carolina St. 20, Wake Forest 15
NE Louisiana 17, Mississippi Col. 7
North Carolina 48, Connecticut 21
S. Carolina St. 41, Presbyterian 0
Tennessee 56, Texas-El Paso 0
Tulane 43, Southern Meth. 7
VMI 24, James Madison 21
Virginia 56, Navy 14
Virginia Tech 24, East Carolina 23
W. Kentucky 19, Illinois St. 9
William & Mary 37, Villanova 14

MIDWEST
Cent. Michigan 14, Akron 14, tie
Duke 27, Northwestern 24
E. Michigan 21, Ohio U. 18
Illinois 23, Colorado 22
Iowa 63, Cincinnati 10
Kansas St. 52, New Mexico St. 7
Minnesota 20, Iowa St. 16
Missouri 45, Utah St. 10
Notre Dame 28, Michigan 24
S. Illinois 45, Murray St. 7
SW Missouri St. 33, Indiana St. 26
Toledo 23, N. Illinois 14
W. Michigan 27, Louisiana Tech 21
Washington 20, Purdue 14
Wisconsin 24, Ball St. 7

SOUTHWEST
Arkansas 28, Tulsa 3
Oklahoma 52, Pittsburgh 10
Oklahoma St. 33, N. Iowa 23
Texas A&M 63, SW Louisiana 14
Texas Southern 26, Southern U. 16

FAR WEST
Air Force 10, Citadel 7
Arizona 25, New Mexico 10
Arizona St. 31, Colorado St. 20
Brigham Young 50, Washington St. 36
Fresno St. 31, Utah 7
Miami, Fla. 52, California 24
Montana 62, Thomas More 0
Montana St. 38, W. Illinois 16
Nevada 41, Sacramento St. 7
Oregon 55, Idaho 23
San Diego St. 38, Long Beach St. 20
San Jose St. 28, Pacific U. 14
Southern Cal 19, Penn St. 14
UCLA 32, Stanford 31
UNLV 45, Oregon St. 20
Wyoming 34, Arkansas St. 27

CANADIAN FOOTBALL LEAGUE
Friday's Result
Calgary 18, Winnipeg 17
Saturday's Result
Toronto 39, Hamilton 16

GOLF

Final scores Sunday from the Lancome Trophy at Saint-Nom-La-Breteche, France:

Jose Maria Olazabal, Spain,	68-66-70-65—269
Colin Montgomerie, England,	69-63-71-67—270
Tony Johnstone, Zimbabwe,	68-69-70-64—271
Mark James, England,	72-64-68-71—275
Craig Parry, Australia,	69-70-66-70—275
Rodger Davis, Australia,	69-66-71-69—275
Eduardo Romero, Argentina	71-67-71-67—276
Eamonn Darcy, Ireland,	70-70-67-69—276
Severiano Ballesteros, Spain,	70-69-70-67—276
Mike Clayton, Australia	71-67-73-66—277
Jose Rivero, Spain.	68-70-70-69—277

TRANSACTIONS

BASEBALL
American League

BALTIMORE—Recalled Mike Smith, Mickey Weston and Daniel Boone, pitchers; Leo Gomez, third baseman; Juan Bell, second baseman; and Chris Hoiles, catcher.

CHICAGO—Extended the contract of Jeff Torborg, manager, through the 1991 season. Said that Larry Himes, general manager, will not return for the 1991 season.

National League

SAN FRANCISCO—Recalled Eric Gunderson and Rafael Novoa, pitchers, and Andres Santana, infielder, from Shreveport, Texas League effective at the end of the league's playoffs. Bought contract of Steve Decker, catcher, from Shreveport.

BASKETBALL
National Basketball Association

SACRAMENTO—Signed Travis Mays, guard, to a multiyear contract.

FOOTBALL
National Football League

ATLANTA—Signed William Evers, cornerback. Waived Gilbert Renfroe, quarterback.

GREEN BAY—Activated Herman Fontenot, running back. Put Chuck Cecil, safety, on injured reserve.

INDIANAPOLIS—Activated Randy Dixon, offensive guard; Jeff Herrod, linebacker; and Jon Hand, defensive end, from the reserve list. Put Eugene Riley, tight end, on injured reserve. Released Gary Baldinger and Sean McNannie, defensive ends.

MIAMI—Waived Tony Collins, running back, and Scott Schwedes, wide receiver. Activated Jim Jensen, wide receiver, and Troy Stradford, running back.

MINNESOTA—Activated Kirk Lowdermilk, center. Put David Braxton, linebacker, on injured reserve.

L.A. RAMS—Activated Damone Johnson, tight end, from the reserve list. Released Jeff Mickel, tackle.

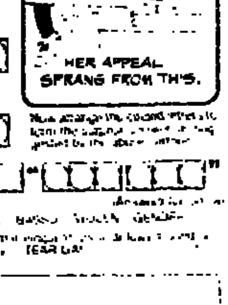
DENNIS THE MENACE

"WE'RE NOT KEEPING SCORE BUT I'M AHEAD."

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DYKEE
SOUHE
TEECIX
YURFIP



Answer here: " "

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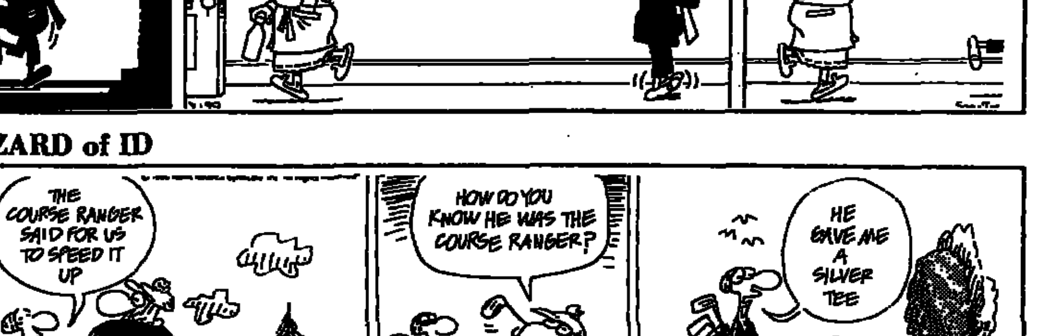
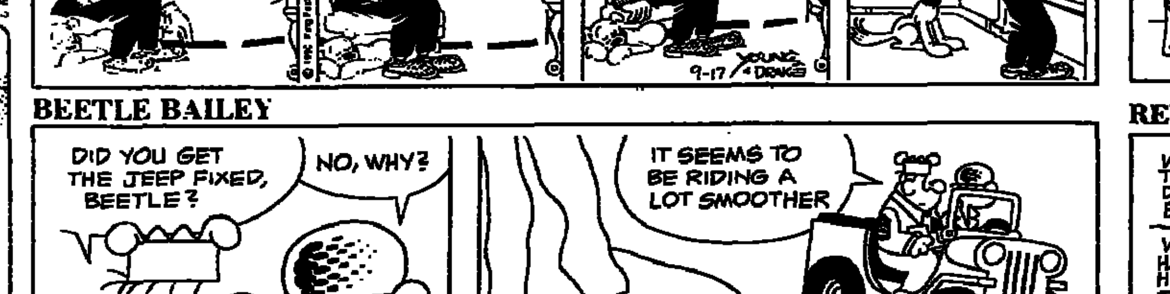
PEANUTS

ANDY CAPP



BLONDIE



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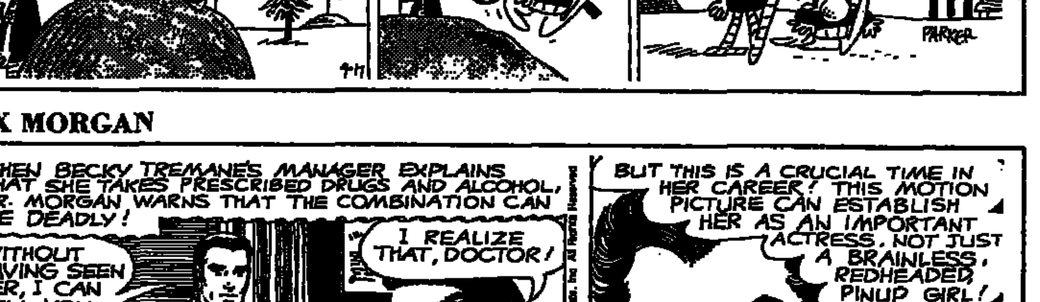


BEETLE BAILEY

REX MORGAN

DOONESBURY

GARFIELD

MONDAY SPORTS

One-Hitter Tops Pirates, But Mets Botch Chance To Take Lead in NL East

The Associated Press

Scott Anderson, making his first major-league start, combined with three relievers on a one-hitter Sunday and the Montreal Expos stopped Pittsburgh, 4-1, completing a three-game sweep of the first-place Pirates.

The Pirates maintained their half-game lead in the National League East Division, though, as the season headed into its final two weeks. New York blew a chance to take over first place, losing, 8-3, to Philadelphia.

Anderson, a 28-year-old rookie who appeared in eight games with Texas in 1987, gave up Jay Bell's double with one out in the first inning. Scott Ruskin pitched 1⅔ innings for the victory. Tim Burke pitched one inning and Steve Frey got four outs for his eighth save.

Montreal trailed, 1-0, in the sixth when Tim Raines singled against Randy Tomlin and scored on a triple by Otis Nixon. Tim Wallach hit a sacrifice fly for the go-ahead run.

Phillies 8, Mets 3: Darren Daulton hit a two-run homer and an RBI single off David Cone, Dave Hollins hit a two-run homer and John Kruk added two triples for the Phillies in New York.

Rookie Jose DeJesus beat the Mets for the third time in less than six weeks with 7⅓ innings of three-hit ball. The Mets dropped two of three games to the Phillies at home over the weekend after winning 11 straight at Shea Stadium.

DeJesus gave up three runs, two of them earned, and struck out six before Roger McDowell relieved in the eighth.

Padres 9, Braves 4: Garry Templeton hit a three-run double and San Diego took advantage of four errors, three by third baseman Jim Presley, to score seven runs in the second inning in Atlanta.

Cubs 8, Cardinals 4: Damon Berryhill hit three doubles and Greg Smith drove in three runs, leading Chicago in St. Louis.

The Cubs tagged Ken Hill for five runs on eight hits in the first three innings on one RBI single by Mark Grace, two by Smith and RBI doubles by rookie Derrick May Berryhill.

White Sox 4, Red Sox 2: Ron Karkovice had two hits and drove in two runs as the White Sox complete a four-game series sweep of swooning Boston in Chicago.

The Red Sox, leaders in the American League East, have lost five of their last six games and their lead over Toronto in the American League East is down to 1½ games.

Chicago last swept a four-game series against the Red Sox in April 1962.

Bobby Thigpen earned a save to extend his major league record to 51 for the season. Thigpen caught Jody Reed's liner through the middle to end the game.

Tigers 5, Yankees 2: Cecil Fielder hit his 47th home run and Alan Trammel hit three RBI singles, while Steve Searcy and Paul Gibson combined on a two-hitter in Detroit.

Yankees starter Chuck Cary left the game on a stretcher after he collided with first baseman Steve Balboni chasing a foul popup. Cary, who briefly was unconscious, was taken to a hospital for X-rays.

In Saturday's games:

Dodgers 3, Reds 0: Ramon Martinez pitched a six-hitter for his 18th victory and Juan Samuel hit a two-run homer as Los Angeles beat the Reds for the second straight night in Cincinnati, cutting the Reds' lead in the National League West to 4½ games.

Expos 4, Pirates 3: In Montreal, Spike Owen capped the Expos' three-run seventh-inning rally with a two-run single to help send Pittsburgh to its fourth straight loss, cutting Pirates' lead in the National League East to one-half game over the New York Mets.

Mets 4, Phillies 2: Pat Tabler delivered a two-run bases-loaded single that helped the Mets Win in Shea Stadium.

Astros 3, Giants 2: Ken Caminiti's bases-loaded single off Steve Bedrosian with two out in the 10th lifted Houston in the Astrodome.

Padres 5, Braves 3: Fred Lynn's run-scoring pinch single in the 11th broke a tie in Atlanta.

Cubs 6, Cardinals 2: Ryne Sandberg hit his 35th and 36th homers of the season to regain the league lead in that category, driving in four runs in the process for Chicago in St. Louis.

Blue Jays 4, Orioles 3: For the second game in a row, the Blue Jays scored three runs in the bottom of the ninth, this time on Kelly Gruber's three-run homer, moving the Blue Jays within two games of Boston in the American League East.

White Sox 7, Red Sox 4: Carlton Fisk and Lance Johnson drove in two runs apiece in Chicago as the White Sox beat Boston for the third straight time.

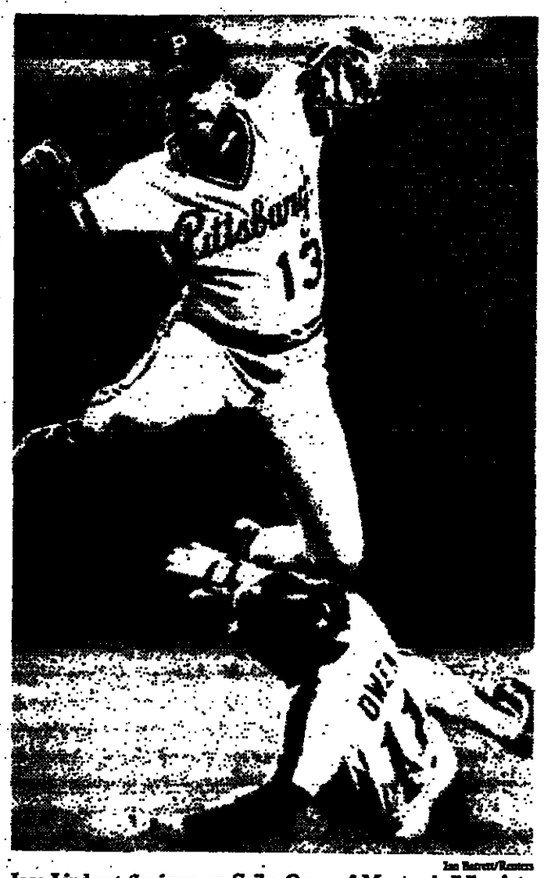
Athletics 4, Twins 1: Bob Welch allowed two hits and an unearned run in eight innings in Oakland for his major league-leading 24th victory, and the Athletics scored all of their runs in the seventh inning.

Tigers 4, Yankees 3: Milt Cuyler tripled in two runs and scored another in the fourth inning as the Tigers won in Detroit.

Indians 14, Royals 6: Turner Ward hit his first major league homer, a three-run shot, and had a bases-loaded triple for six RBI in Kansas City.

Rangers 6, Brewers 3: In Arlington, Texas, Julio Franco and Jack Daugherty drove in two runs apiece as the Rangers won their third straight.

Mariners 7, Angels 2: Harold Reynolds had three hits and scored four runs, and Erik Hanson gained his 15th victory, with a six-hitter, as Seattle ended a four-game losing streak in Anaheim, California.



Jon Barrett/Reuters

Jose Lind got the jump on Spike Owen of Montreal sliding into second base, and completed the double play with a throw to first.

BASEBALL ROUNDUP

The Griffeys: A Tag Team

The Associated Press

ANAHEIM, California — Instead of the California Angels vs. the Seattle Mariners, it was more like Dave Winfield vs. the Griffeys.

Dave Winfield drove in five runs with a pair of home runs on Friday night, offsetting back-to-back homers by Ken Griffey Sr. and Ken Griffey Jr. as the California Angels downed Seattle, 7-5.

The Griffeys' feat in the first inning gave Seattle a 3-0 lead, but Winfield's three-run homer highlighted a five-run third that erased that advantage.

Ken Griffey Sr. has 14 runs batted in in 10 games with Seattle.

Cardinals Stun Eagles on Late Kick

Compiled by Our Staff From Dispatches

Al Del Greco kicked a 42-yard field goal with 25 seconds to play, lifting Phoenix to a 23-21 upset of the Eagles on Sunday in Philadelphia and giving Joe Bugel his first win as the team's coach.

With his team trailing by 21-20 in the last minute, Cardinals quarterback Timm Rosenbach engineered a 58-yard drive, with the key play a 26-yard pass interference penalty against Ben Smith that took the ball to the Phoenix 44.

Rosenbach scrambled for 13 yards on the next play.

Earlier in the quarter, Del Greco kicked field goals of 25 and 50 yards. The 50-yarder came with 4:44 left to make it 21-20.

The Eagles blew a 14-0 lead amid boos from home fans, despite Randall Cunningham's two touchdown passes. It was their second loss to a National Football Conference East Division foe in two weeks.

Philadelphia sacked Rosenbach six times and intercepted him once.

Roberto Borea/The Associated Press

Philadelphia's Mike Quick, holding onto the ball Sunday despite the efforts of Phoenix's Jay Taylor.

THE NFL

Bears 31, Packers 13: Jim Harbaugh passed for two touchdowns and ran for another, and defensive end Trace Armstrong led a relentless pass rush as Chicago won at Green Bay.

The Bears (2-0) sacked Green Bay quarterback Anthony Dilweg six times and recovered three fumbles — two by Dilweg — that led to touchdowns.

Armstrong and Richard Dent made two sacks each, and Armstrong also recovered a fumble as the Bears harassed Dilweg, making his second NFL start, the entire game. Green Bay (1-1) had beaten the Bears in both games last season.

Don Majkowski, who held out of training camp, made his debut by replacing Dilweg with 6:54 left. The Bears were already ahead by 31-13, and Majkowski completed 8 of 12 passes before he was intercepted by Lemuel Stinson with 3:38 left.

Rams 35, Buccaneers 14: Robert Delpino caught two of Jim Everett's four scoring passes and Bobby Humphery returned an interception 44 yards for a demoralizing touchdown on the final play of the opening half on Sunday, leading the Los Angeles Rams to a 35-14 romp over the Tampa Bay Buccaneers.

The Rams moved the ball effortlessly in rebounding from a National Football League season-opening loss at Green Bay. Everett completed 18 of 25 passes for 269 yards in the game at Tampa, Florida.

Everett threw first-half scoring passes of 6 yards to Buford McGee, 14 yards to Henry Ellard and 10 yards to Delpino in giving the Rams a 28-7 halftime lead. Delpino's 42-yard touchdown reception capped an 80-yard drive with the second-half kickoff that effectively sealed the outcome.

Unable to run successfully, Tampa Bay scored on Vinny Testaverde's 48-yard pass to Bruce Hill late in the second period. Gary Anderson ran for a one-yard score three plays into the final quarter for Tampa Bay (1-1).

Testaverde, the NFL's top-rated passer after Week 1, completed 9 of 18 attempts for 127 yards before being replaced by Chris Chandler late in the third quarter.

The Rams' massive offensive line provided superb protection as Everett completed seven of eight attempts for 90 yards and two touchdowns in his opening two possessions.

The Buccaneers rushed for only 61 yards after an impressive showing last week in a 38-21 triumph at Detroit.

Dolphins 30, Bills 7: Ball control and defense, Miami's weaknesses during a four-year playoff drought, became strengths as Dan Marino led the victory in Miami.

The Dolphins, who gave up 280 yards rushing the last time they faced Buffalo, this time limited the Bills to six first downs through three quarters. By the time Buffalo scored on Larry Kinnebrew's one-yard run with 12 minutes left, Miami led by 30-0.

In breaking a six-game losing streak against Buffalo (1-1), the Dolphins repeatedly capitalized on good field position. They scored 13 points following the Bills' three turnovers, and scored 10 points after punt returns twice put the ball at Buffalo's 45-yard line.

Miami has a 2-0 record for the first time since 1984 and is alone atop the American Football Conference East for the first time since December 1985. The Bills had been in first place in the division for 33 consecutive weeks.

The Dolphins set the tone by stopping Buffalo's first possession on downs at their 29-yard line, then generating a nine-minute, 15-play touchdown drive. Sammie Smith dived over the goal line on fourth and one at the 2.

Jets 24, Browns 21: A revitalized Freeman McNeil rushed for one touchdown and set up another as the Jets won in East Rutherford, New Jersey, giving Bruce Coslet his first victory as their coach.

McNeil, waived at the end of preseason and then reclaimed, rushed for 62 yards and caught three passes for 80 more. He showed the moves and speed of his prime, when he became the Jets' all-time leading rusher.

The Jets' defense was outstanding in the first half and pressured Cleveland quarterback Bernie Kosar throughout. Cleveland, which had only 80 yards rushing last week, was worse against the Jets, gaining 44.

Blair Thomas, the Jets' No. 1 draft pick, left the game with a hamstring injury.

Patriots 16, Colts 14: Jason Staurovsky kicked field goals of 39, 27 and 25 yards in the second half, and New England intercepted rookie quarterback Jeff George four times as the Patriots won in Indianapolis.

George, who also lost 17 yards on a sack, completed a 68-yard touchdown pass to Bill Brooks for the game's final touchdown with 2:16 to play.

Indianapolis tried an onside kick that New England's Ronnie Lippett covered at the Colts' 44. The Patriots then ran three straight running plays, recording their 10th conversion in 17 third-down plays before running out the clock.

The Patriots limited Indianapolis to five first downs in the final three periods, including two on penalties, before Brooks's score. New England kept Indianapolis offbalance by mixing the passing of Steve Grogan with the running of John Stephens.

The Patriots (1-1) came up with five turnovers after Indianapolis (0-2) had dominated the game's first quarter. *(UPI, AP)*

SIDELINES

Olazábal Wins by One in Lancôme

SAINT-NOM-LA-BRETECHE, France (AFP) — José María Olazábal of Spain scored his second victory of the European season when he won the Lancôme Trophy on Sunday.

A closing round of 65 gave Olazábal a 269 total for four days of play and a one-stroke margin over Scotland's Colin Montgomerie, who closed with a round of 67. Olazábal took the lead from Montgomerie with four consecutive birdies midway through Sunday's round.

Gardner Out Front in Canadian Open

OAKVILLE, Ontario (AP) — Buddy Gardner, winless in 13 seasons on the PGA Tour, overcame windy conditions with solid putting for a 67 that gave him a one-stroke third-round in the Canadian Open.

Gardner eagled the final hole from 25 feet (7.6 meters) and made par-saving putts of three, four, four, six, six, eight, eight and 10 feet. Gardner had a 9-under-par total of 207, with Wayne Levi and Nick Price at 208.

Witherspoon Beats Lewis in the 100

SHIZUOKA, Japan (AP) — American Mark Witherspoon beat compatriots Carl Lewis and Leroy Burrell for the second time this month in winning the 100-meter dash in the Toto Super '90 track and field meet.

Witherspoon was timed in 10.21 seconds, edging Burrell by .02 of a second in the first heat Sunday. Lewis, running in a separate heat, tied Burrell for second place overall in winning his section in 10.23.

Scott Wins the Stockholm City Mile

STOCKHOLM (AP) — Steve Scott, America's premier middle distance runner during the 1980s, held off Mogens Guldberg and the European 1,500-meter champion Jens-Peter Herold to win the Stockholm City Mile.

It was the first victory this season in a major race in Europe for Scott, 34, who was timed in 4:12.3 on Saturday.

● Australian Steve Moneghetti ran a world best in the half marathon and beat favorite Douglas Wakiihuri of Kenya in the Great North Run at Tyneside in northeast England on Sunday. Moneghetti's time was 1:34:00. Rosa Mota of Portugal won the women's race.

Dispersal Upsets Horse Racing Order

ELMONT, New York (NYT) — Dispersal blew away seven rivals and blew the rest of the racing season wide open with a 1¼-length victory in the $590,000 Woodward Handicap at Belmont Park. Criminal Type, previously the runaway leader for Horse of the Year honors, faded badly Saturday and finished sixth.

Dispersal, which had won four straight minor races in the Midwest, led at every call and held on after setting fast fractions to run the 1⅛-mile (1.8-kilometer) length in 1:45.91.

● In Doncaster, England, Snurge held off favorite Hellenic to win the St. Leger Stakes on Saturday, becoming the first horse in 77 years to claim its first victory in the sport's oldest classic event. *(AP)*

Jordan Pulls Out of Asian Games

BEIJING (AP) — Jordan, citing financial difficulties, has decided not to enter the Asian Games, which begin here Sept. 22, Chinese officials said.

Wei Jizhong, deputy secretary general of the Asian Games organizing committee, said Saturday that the committee had asked Jordan to detail the problems, but has not received a response, according to Xinhua, China's official news agency.

For the Record

A storm front gave way to blue skies and fair winds as 24 solo sailors crossed the starting line off Newport, Rhode Island, in the eight-month, 27,000-mile (43,000-kilometer) BOC Challenge yacht race around the world. *(NYT)*

Dave McAuley of Northern Ireland retained his International Boxing Federation flyweight title with a unanimous decision over Colombian Rodolfo Blanco despite being knocked down four times and cut under both eyes Saturday. *(AP)*

Raul (Jibaro) Perez retained the World Boxing Council bantamweight title when his 12-round fight Friday night with compatriot Jose (Pepillo) Valdez ended in a split decision. (Reuters)

Quotable

● Rookie free agent Amod Field, leaving the Phoenix Cardinals' training camp with a garbage bag full of his belongings: "How do they expect me to go to the Pro Bowl if they cut me today?" *(AP)*

Loss to the Faeroes Costs Austrian Coach His Job

The Associated Press

VIENNA — Seventy-two hours after Austria was humiliated by losing to an amateur squad from the Faeroe Islands, the Austrian Soccer Federation named Alfred Riedl to replace Josef Hickersberger as coach of the national team.

The president of the federation, Beppo Mauhart, announced Saturday that he would replace Hickersberger with Riedl, who had been appointed as coach of Austria's youth squads only six weeks ago.

Riedl, the third-highest scorer in Europe as a player in 1975 when he was with Belgium's Royal Antwerp, said Austria wouldn't give up its European Championship hopes. It was in qualifying for the 1992 European Championship that Austria lost, 1-0, to the Faeroes.

"The match against the Faeroe Islands was a disaster for Austrian soccer," Riedl told a news conference. "We must take whatever chance, however slim."

Austrian soccer is currently struggling, as even top clubs are facing dwindling attendance and an apparent lack of young talent.

Hickersberger, national coach since February 1988, had coached Austria in 29 international matches, winning 10, losing 12 and drawing seven. He had said after the defeat on Wednesday that he "would like to step down at once."

His embarrassment was reflected in Austrian media and echoed by several soccer officials and experts here. There was even a call for less money to be spent in government subsidies currently earmarked for soccer.

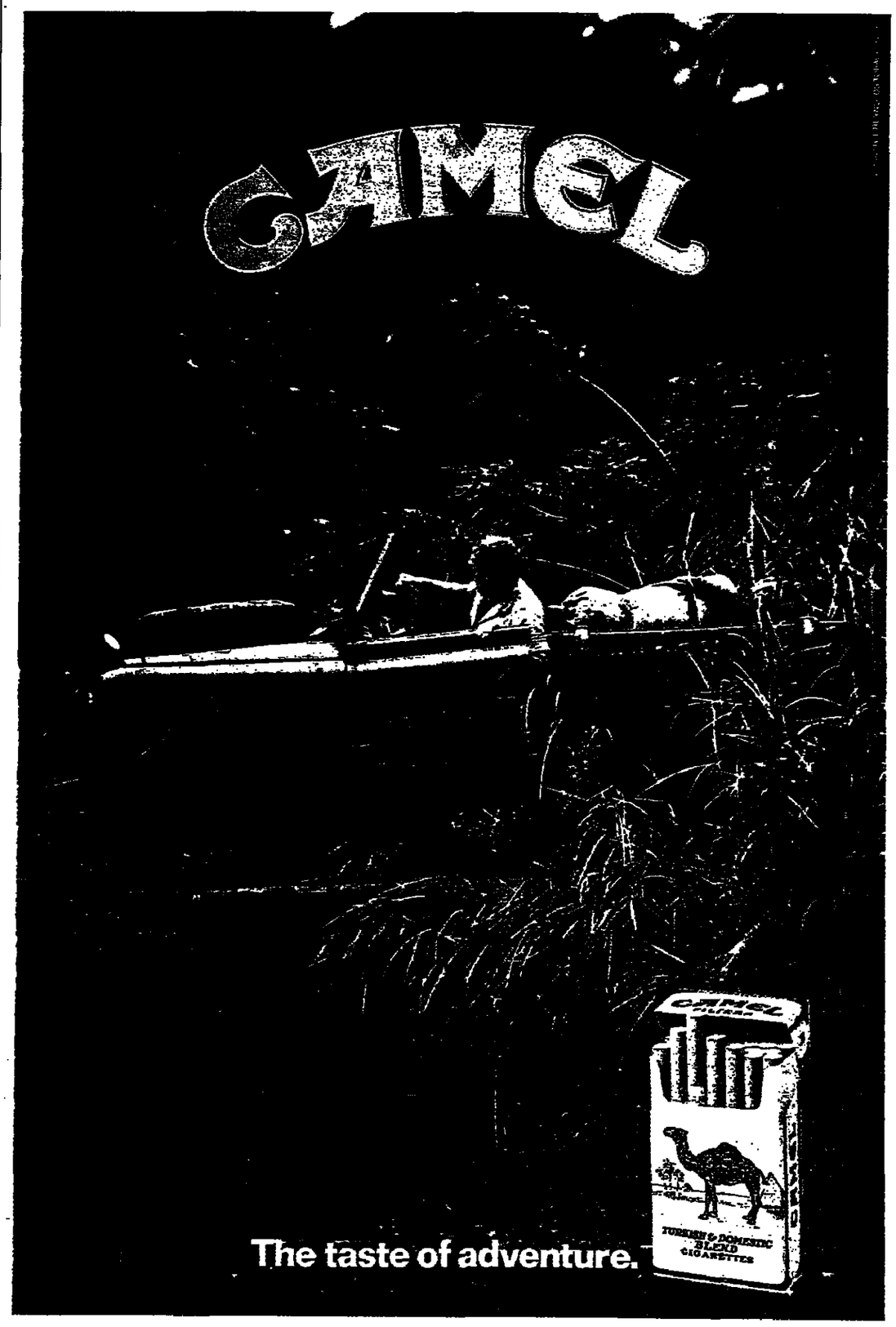
■ Scotland Plans an Inquiry

The worst outbreak of soccer crowd violence in Scotland for a decade will be the subject of a full inquiry, the Scottish League president Jack Steedman said on Sunday, Reuters reported from Edinburgh.

Seventeen fans were injured and 36 arrested after trouble during a match between Hibernian and Hearts on Saturday.

"We have been proud of our record on football violence in recent years and having that image spoiled is very distasteful," said Steedman.

● Peter Vermes, Bruce Murray and Eric Eichman scored as the United States shut out Trinidad and Tobago, 3-0, in an exhibition match on Saturday, The Associated Press reported from High Point, North Carolina.



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Prague Journey: Art Anthology

Patina and Dignity Survive

International Herald Tribune

PRAGUE — Entering a city is like a first encounter. As acquaintance develops, it colors all later approaches. For me the introduction to Prague started on the way from Salzburg. I left an Austrian city, provincial and pampered, satisfied that its historic setting is intact but where everything old looks new, and three hours later I arrived in a capital, almost equally Germanic in appearance, where time had stood still for five decades, leaving its patina and dignity miraculously intact.

The transition, by car through one of the most romantic landscapes in Europe, prepares the traveler for change from the loud and obvious to the subdued and understated. Few outsiders would suspect that a whole capital might be preserved in the bloom of its past. The traveler who expected to be initiated into the intricacies of Slavic architecture finds himself, ironically, in a city that displays an anthology of German architectural styles that makes Prague, its Slavic population notwithstanding, a very Germanic capital, the only one to have survived in post-World War II Europe.

This place went through liberation from the Austrian Empire, Nazism, the Prague Coup of 1948 with its accompanying Soviet occupation, the 1968 Prague Spring, the second Soviet occupation and the ultimate shaking off of the Communist dictatorship with limited losses. There was the outrageous blowing up of most of the 15th-century town hall by the German military in 1943. But for the most part, the city pulled through, its urban texture better preserved than that of Paris or London.

Every great metropolis has an artistic momentum of its own, regardless of its cultural setting, with a distinctive hallmark. In Prague, the hallmark is the abundance of Baroque sculpture integrated into the architecture as nowhere else. It is a unique living museum of the Baroque age. Covered with statues by the greatest sculptors called in from all over the Holy Roman Empire by Rudolf II and other rulers in the 16th and 17th centuries, Prague gives the viewer an unrivaled collection of Baroque statuary in its authentic urban setting.

One should see it first at leisure and at random, taking in the curving rhythm of its ancient streets, and then track it down systematically. Much of it has yet to be properly recorded.

One of the masterpieces, an early 18th-century woodcarving by Lazar Widmann representing Hercules and the Nemean lion, lurks in the corner of a courtyard at 17 Celetna Street, which now houses the Theater Institute. I could find no mention of it in German- or English-language guidebooks. This, as much as the great paintings of the Národni Museum, Prague's National Gallery, makes Prague an intricate treasure house where one can still discover art as one did in pre-tourism days. One just stumbles upon it all over the place.

Prague acquired its status as a Germanic capital before Berlin or Vienna. It owes this to Charles IV, who mounted the throne of Bohemia in 1346 and added to his royal title that of Emperor of the Holy Roman Empire in 1355. He retained both until his death 23 years later, having in the meantime made Prague an imperial capital, the first the empire had. In so doing, Charles IV gave Prague the distinctive imprint it was never to lose, that of a metropolis with an international air and German overtones. He founded Charles University, the Carolinum. The old Fortress of the Hradcany, which was destroyed by fire, was rebuilt in Germanic garb.

Within the citadel district, the Cathedral of Saint Vitus might have had a thoroughly French Gothic look if the initial French architect, Mathieu of Arras, had carried on. But he was replaced in 1352 by Peter Parler, its true builder, whose work was continued by his sons. While the inside has a French feel, the outside is German.

It was Parler who designed the Gothic tower at the start of the 520-meter (1,700-foot) Charles Bridge, named for Charles IV, who ordered its construction. Here again, the sculptors who fitted the bridge with the 30 statues or groups that provide its unique silhouette belonged to the German tradition, whether Mathias Braun or Ferdinand Maximilian Brokoff, whose work recurs in many other monuments.

With the advent of the Baroque Age, Prague became increasingly international and Germanic. For 150 years or so, superb Baroque churches sprang up all over the city. The most famous is perhaps the Church of Saint Nicholas in the Old City (not to be confused with another of the same name, also by Kilian Ignaz Dientzenhofer, in the Lesser Town, or Mala Strana).

The most perfect, to my mind, is the Church of Saint Aegidius for its sense of space, its proportions, and its color balance.

Souren Melikian/International Herald Tribune

As in southern Germanic lands, the Italian attraction was irresistible. When the Jesuits tried to win back to Roman Catholicism a population that had gone over en masse to Protestantism, they hit upon the idea of building a replica of the Santa Casa in Loreto, near Ancona.

The aristocracy was equally susceptible to the Italianate fashion. The palace of the Sternbergs was entrusted to Martinelli and Alliprandi. Between 1698 and 1720 they completed the vast complex in sober Baroque taste that now houses the National Gallery. There Dürer and Lucas Cranach the Elder can be seen next to Rembrandt, Rubens, Monet, Cézanne, and Picassos of the highest order, and the schools of Bohemia and Moravia.

As time went by, the Italian connection became inextricably interwoven with the German heritage. In the exquisite Tylovo Divadlo (Tyl Theater), erected in a Germanized interpretation of Louis XVI French architecture, Mozart watched the first performance of "Don Giovanni" in 1787. During the rehearsals, he stayed a few hundred yards away on the same Rytirska Street, which he no doubt called the Ritterstrasse, in an inn, Zu den Drei Löwen. It still stands on a corner.

The adherence to modern trends often retained a Germanic coloring. In the early 1900s Prague became a major Art Nouveau center — in its Jugendstil version. The movement has left some of its best preserved constructions in Europe, such as the Hotel Europa, where everything from frosted glass to door knobs has been kept as it was. The attraction continues: Last year, the National Gallery held a major Art Nouveau exhibition; the subject was the creative workshops of the Darmstadt school.

Inevitably, Prague did not entirely escape the havoc of ordinary human ineptitude. When the whole of Europe was undergoing a wave of fashionable "improvement" of its Gothic and Renaissance past during the 19th century, Prague went along.

A beautiful 15th-century fortification tower — later used as a gunpowder store, hence the Gunpowder Tower — rises at the top end of the Celetna Ulice with Gothic arches that are just too neat and a gable-ended roof that comes straight out of a 19th-century engraving; active "restoration" in super-Gothic style has left its mark as it did on Notre Dame in Paris, in Cologne and in countless other places.

With such exceptions, the passage of time has been amazingly lenient to Prague. Guidebooks tend to dwell on its most important historic monuments, but the great attraction does not lie so much in those. Taken piecemeal, they do not stand up to the greatest creations of Western Europe.

One just stumbles upon art all over the place, and much of it has yet to be properly recorded. One masterpiece, for example, an early 18th-century woodcarving by Lazar Widmann of Hercules and the Nemean lion, left, lurks in the corner of a courtyard.

Prague's charm, unique and subtle, lies in the pervasive feel of the past having lived its life without being done away with.

Had it been geared exclusively to Germany, even with an Italian addition, Prague might have become a minor Vienna, slightly dusty and provincial.

Instead, it turned also to France, acquiring yet another dimension. Not least among Prague's store of surprises is the Parisian air of some streets: the width of the roads, the proportions of the buildings, the blackened cut stones look the same. Wenceslas Square, where Jan Palach immolated himself in desperate protest at the Soviet crushing of the 1968 Prague Spring movement, is reminiscent of many a large avenue built at the turn of the century in French cities.

It brings an ultimate poignant addition to the long string of memories that haunt Prague, its most impalpable but perhaps most striking heirloom, from the martyrdom of Jan Hus in 1415 to the suicide of Franz Kafka and the deportation of the Jews, once so numerous in the Jewish City erected in the early Middle Ages and now remembered by their ancient stones: the astonishing chapel-like synagogue built in the 12th century for them by the Cistercians and the old Jewish cemetery of the Baroque period.

Walking along Wenceslas Square, one is struck by the brisk pace tempered by discipline, common courtesy and good grace. Prague has the atmosphere of a metropolis that has not been caught up yet by the agitation of the mechanized age and that has just come out of a trauma. It should be seen now.

—SOUREN MELIKIAN

LANGUAGE

Right On, Dead On, Bang On

By William Safire
New York Times Service

WASHINGTON — "For a bravura example of deadline reporting," reads the citation to Linda Greenhouse, "and dead-on analysis as the Supreme Court ended its session." That's the wording of one of the coveted publisher's awards posted on the bulletin board in the New York Times Washington bureau.

What stopped me was not the subsequent reference to "abortion rights of teenagers," but the use of the compound adjective *dead-on*, meaning "exactly right." Barrere and Leland, in their 1889 Dictionary of Slang, were first to define the term: "A rifle-shot talks of the aiming being dead-on when the day is so calm that he can aim straight at the bull's eye instead of having to allow to the right or left for wind. He is said to be dead-on himself when he is shooting very well."

The word worked especially well following the award citation's use of *deadline* (from the Civil War prison-camp boundary, beyond which a prisoner would be shot; now that punishment is inflicted when copy is filed late). *Dead-on* is a variation of the British *dead steady*, although a closer parallel is the British *bang-on*, literally "bang on target," the meaning extended to "precisely as planned."

A synonym is *spot-on*, which first appeared in 1920, also a shooting term. This may be a rewording of *on the spot*, which means either "immediately" or "at the very place," as in "Unexpectedly paid on the spot, he died on the spot."

I can find no connection of the British *spot-on* to the Vermont expression cited in 1856, *to knock the spots off*, originally used in a horse-breeding context for "to be in the vanguard." For a time, this competed with a term coined a dozen years earlier, *to knock your socks off*, meaning "to impress, bedazzle, overwhelm." One pulls, jerks or strips socks off; nobody uses a mallet to knock them off. What happened, I think, was this:

Language does not always follow logic. 'Pro-choice,' meaning the right to abortion, was in use before 'pro-life.'

knock your spots off didn't get widely adopted because the pronunciation of its two key words conflicted, not quite rhyming; the rhyme of *knocks-socks* demonstrated the staying power of a rhyme. (Use it or lose it.)

Because Linda Greenhouse, whose name generates environmentalist jocularity in the bureau, was cited for her abortion-rights coverage, this is a good place to deal with an objection to my account of how the coinage of *pro-choice* preceded the coinage of *pro-life*.

Logically, it should have been the other way around: anti-abortion would lead to pro-abortion; people who held that view would want to change that harsh term to a more accurate *pro-choice*; people who disagreed with them, but who did not want to be "anti-choice," chose the positive *pro-life*.

Language does not always follow logic. Fred R. Shapiro, a librarian at Yale Law School, takes the logical view and says I have my facts backward: "The truth is that *pro-life* came first, a clever slogan presenting a negative position in a positive light. . . . According to Webster's Ninth New Collegiate Dictionary, Merriam-Webster's files record the use of *pro-life* as early as 1972 but do not document *pro-choice* until 1975."

In linguistic and propaganda history, this is no nitpick; I asked Fred Mish at Merriam-Webster to show the cards in his hand. Yes, the *pro-life* citation is dated 1972, but it's in a phrase about "anti-war and pro-life articles" — the meaning had nothing to do with abortion. Indeed, the Oxford English Dictionary has a 1961 citation of *pro-life*, meaning "life-enhancing" and not about abortion; you can track *right to life* back to George Bernard Shaw's 1916 "Androcles and the Lion," but in a different context. In the coinage dodge, we're interested in the phrase used in its current sense.

Logic, shmogic; the first evidence of the existence of the word *pro-choice* was in a Wall Street Journal article by Alan L. Otten on March 20, 1975, when this political analyst reported with great prescience: "Both right-to-life and pro-choice forces agree the abortion issue is going to be around for a long time." The first use of *pro-life* came more than nine months later, on Jan. 18, 1976, in a New York Times quotation of a "pastoral plan for pro-life activities."

That's it, until somebody comes up with an earlier citation of the new words used in their current meaning. And I suspect somebody will. To him or her, I say, "*Right on!*" (an interjection first used in Odum and Johnson's 1925 songbook, "The Negro and His Songs," in the phrase "Right on, Desperado Bill!," which sounds like one of the postcards I get).

□

Bill Irvine, author of "Senile Felines," a desk calendar of palindromes for 1991, published by Harcourt Brace Jovanovich, has checked in from the land of coming and going. He predicts an increase in the space budget (A SANTA'S AT NASA) and shortages in Baghdad fruit stands (NO LEMONS, NO MELON). His editorial comment on the Persian Gulf: DRAT SADDAM, A MAD DASTARD. If this gives you a headache, try LONELY TYLENOL.

□

One phrase we may be seeing a lot of in coming weeks is *war of nerves*, meaning "the use of propaganda or symbolic actions to undermine an enemy's morale or induce him to acquiesce." The target is not so much the enemy's territory as its hearts and minds.

The coinage belongs to a faceless but talented bureaucrat writing in Britain's Annual Register of 1939: "The British public . . . did not allow the 'war of nerves' organised by the Nazi government to interfere in the least with its August holiday."

For a time after World War II, the phrase was used to describe the tensions building between the United States and Russia, as the U.S.S.R. was popularly known. On receipt of George F. Kennan's memorandum urging a containment policy, Secretary of State James Byrnes stated, "We must not conduct a war of nerves to achieve strategic ends," but that was the best phrase to describe what went on until Herbert Bayard Swope came up with *cold war* in a speech he wrote for Bernard Baruch.

A parallel expression to *war of nerves* is *war of words*, usually favored by government propagandists who called themselves *psychological warfare operatives*, or *psyops*, for a time, then turned milder with *public affairs specialists* and *communications consultants* and now adopt the style of *public diplomatists*. That has distinguished provenance. Alexander Pope, in his 1725 translation of Homer's "Odyssey," wrote this ringing put-down to the hyperarticulate teenagers of his day: "O insolence of youth! whose tongue affords/ Such railing eloquence and war of words."

New York Times Service

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